



**Ministry of Public Safety and
Solicitor General**

Minister's Transition Book

**Ministry of Public Safety and Solicitor General
Minister's Transition Book**

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Ministry of Public Safety and Solicitor General

Ministry Profile

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**Ministry Profile
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MINISTRY PROFILE

Ministry: Public Safety and Solicitor General

Ministry Mandate:

The Ministry of Public Safety and Solicitor General (PSSG) and the Ministry of Attorney General (AG) work together as the justice and public safety sector to advance a shared vision of a safe, secure, just, and resilient British Columbia.

PSSG's mission is to develop public safety policy and legislation and deliver associated services and programs, and administer regulations for the liquor, cannabis, and gambling sectors.

The ministry is responsible for: policing and law enforcement superintendence; 911 emergency communication services; correctional services; victim services; crime prevention and reduction; restorative justice; civil forfeiture; coroners' services; liquor and cannabis regulation; gambling regulation; problem gambling prevention and treatment services; road safety; criminal record checks; the protection order registry; security industry regulation; consumer protection; and structure fire prevention and safety.

The Minister of Public Safety and Solicitor General is also responsible for the BC Liquor Distribution Branch (LDB), and a number of agencies and boards, including the Insurance Corporation of British Columbia (ICBC), and the Organized Crime Agency of BC within the Combined Forces Special Enforcement Unit – British Columbia.

Full Time Equivalent (FTEs): As of August 2024 – 3632 total (3519 regular plus 113 overtime)

Executive Organizational Chart:

<p>Deputy Solicitor General Douglas S. Scott</p>
<p>BC Coroners Service Chief Coroner Dr. Jatinder Baidwan</p>
<p>BC Corrections Assistant Deputy Minister Lisa Sweet</p>
<p>Community Safety and Victim Services Branch Assistant Deputy Minister Taryn Walsh</p>
<p>Corporate Strategic Initiatives Branch Assistant Deputy Minister Megan Harris</p>
<p>Gaming Policy and Enforcement Branch Assistant Deputy Minister Sam MacLeod</p>
<p>Insurance Corporation of BC and Liquor Distribution Branch Within the Crown Agencies Secretariat, Ministry of Finance Associate Deputy Minister – Mary Sue Maloughney Assistant Deputy Minister for LDB – Tracy Schmidt Executive Lead for ICBC – Toby Louie</p>
<p>Liquor and Cannabis Regulation Branch Assistant Deputy Minister and General Manager David Hume</p>
<p>Office of the Fire Commissioner Fire Commissioner Brian Godlonton</p>
<p>Policing and Security Branch Assistant Deputy Minister and Director of Police Services Glen Lewis</p>
<p>RoadSafetyBC Assistant Deputy Minister and Superintendent of Motor Vehicles Amy Miller</p>

Ministry Support Services (PSSG/AG)

<p>Corporate Management Services Branch Assistant Deputy Minister and Executive Financial Officer Alex Chandler</p>	<p>Information Systems Branch Assistant Deputy Minister and Ministry Chief Information Officer Chris Mah</p>
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Budget:

(\$000s)	2023/24 Restated Estimates ¹	2024/25 Estimates	2025/26 Plan	2026/27 Plan
Operating Expenses				
Corrections	296,131	316,846	319,041	319,798
Policing and Security	534,024	541,647	541,533	541,653
Community Safety and Victim Services	78,374	88,310	88,340	88,340
BC Coroners Service	22,696	29,284	29,650	30,020
RoadSafetyBC	29,244	36,440	36,190	36,240
Liquor and Cannabis Regulation	7,616	8,275	8,275	8,275
Gaming Policy and Enforcement	19,400	21,461	21,933	22,231
Cannabis, Consumer Protection and Corporate Policy	3,712	3,830	3,830	3,830
Office of the Fire Commissioner	3,173	3,261	3,261	3,261
Executive and Support Services	18,324	19,077	19,077	19,077
Statutory Services ²	15,194	15,222	15,222	15,222
Total	1,027,888	1,083,653	1,086,352	1,087,947
Capital Expenditures				
Corrections	1,062	1,062	1,062	1,062
BC Coroners Service	12	12	12	12
Office of the Fire Commissioner	0	36	0	0
Executive and Support Services	1,514	1,887	952	952
Total	2,588	2,997	2,026	2,026

¹ For comparative purposes, amounts shown for 2023/24 have been restated to be consistent with the presentation of the 2024/25 Estimates.

² Statutory Services includes Civil Forfeiture Account, Corrections Work Program Account, Criminal Asset Management Fund, and Victim Surcharge Special Account.

EXECUTIVE MEMBER BIOGRAPHY



Name: Douglas S. Scott

Title: Deputy Solicitor General

Ministry: Public Safety and Solicitor General

Biography:

Doug Scott was appointed as a Deputy Minister with the title Deputy Solicitor General, Ministry of Public Safety and Solicitor General in December 2021. Following an extensive career with the Royal Canadian Mounted Police, Doug joined the BC Public Service in 2011 and has undertaken six Assistant Deputy or Deputy Minister roles since that time. His responsibilities have included both liquor and gaming regulation, provincial reconciliation negotiations with First Nations, and government oversight of crown corporations including Insurance Corporation of British Columbia, Liquor Distribution Branch, BC Lottery Corporation and BC Housing.

Doug is a double graduate of Queen's University with a Bachelor of Arts and Master of Business Administration. He also holds a Master of Public Administration from Harvard University.

Ministry of Public Safety and Solicitor General

Core Business and Program Areas

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**Major Corporate Issue Notes
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5. Community Safety and Victim Services Branch
6. Gaming Policy and Enforcement Branch
7. Information Services Branch
8. Liquor and Cannabis Regulation Branch
9. Office of the Fire Commissioner
10. Policing and Security Branch
11. RoadSafetyBC

Ministry of Public Safety and Solicitor General

BC Corrections

BC CORRECTIONS

ADM Responsible: Lisa Sweet

Overview of Core Business / Program Area:

BC Corrections safely supports people 18 years and older who are in provincial custody serving a sentence or awaiting trial, and supervises individuals serving community sentences such as bail, probation, or conditional orders.

The branch consists of four divisions.

The Community Corrections Division operates 54 offices that supervise over 17,000 clients and offers programs proven to reduce reoffending to individuals serving sentences in the community. Probation officers in this division use case management strategies, interventions, and risk assessment techniques with clients and also make recommendations to the court to assist with sentencing decisions.

The Adult Custody Division operates 10 correctional centres to provide safe and secure custody to incarcerated individuals awaiting trial or serving a provincial sentence up to two years less a day. In 2023, there were approximately 1,800 individuals in custody on any given day. Individuals with sentences of two years or more are managed by the Correctional Service of Canada. While the levels of security and control vary from centre to centre, each correctional centre offers a variety of behavioural, educational and work programs, to help people gain new skills and take steps towards making positive changes in their lives.

The Strategic Operations Division provides support to all divisions by ensuring the best and most effective research, technology, programs, policies, and legislation are in place. Staff build relationships with Indigenous partners to ensure BC Corrections implements culturally appropriate initiatives intended to support reconciliation and help address the overrepresentation of Indigenous peoples in the justice system.

The Capital Division leads the planning and delivery of major capital facility projects to support BC Corrections' operations. Capital staff oversee a number of complex projects, each involving significant planning, coordination, and expertise over several years to complete. The most recent and current projects totalling \$225 million include the replacement of the Nanaimo Correctional Centre, modernizing segregation units in correctional centres throughout the province, and renovations to Community Corrections offices across B.C.

Budget (millions):

Operating Budget: \$ 316.846M

This does not include: Approved contingencies for the Repeat Violent Offending Intervention Initiative (RevOII) (\$3.974M in 2024/25 and 2025/26), correctional officer recruitment and retention incentive (\$14.816M in 2024/25), and the segregation infrastructure project (\$0.216M in 2024/25 and \$0.90M in 2025/26).

Corrections Work Program Account: \$ 1.281M

Capital Budget: \$ 1.062M (mandatory operating equipment and \$1.272 (BC Corrections vehicles – includes budget that was fully re-profiled from FY23/24).

This does not include: Approved capital contingencies for specialized equipment and vehicles for the new replacement Nanaimo Correctional Centre Cabinet Confidences;
Government Financial

Full Time Equivalents (FTEs): As of August 2024 – 2409 total (2300 regular plus 109 overtime)

Related Legislation:

- Correction Act
- Criminal Code of Canada
- Youth Criminal Justice Act
- Prisons and Reformatories Act
- Immigration and Refugee Protection Act
- Family Maintenance Enforcement Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Lisa Sweet

Title: Assistant Deputy Minister, BC Corrections

Ministry: Public Safety and Solicitor General

Biography:

Lisa has 35 years of experience with the Ministry of Public Safety and Solicitor General, with 28 of those years in BC Corrections. After working in a variety of positions in BC Corrections, including warden of Alouette Correctional Centre for Women and North Fraser Pretrial Centre, in 2013, Lisa joined the Policing and Security Branch as the Executive Director and Deputy Director of Police Services. In 2018, Lisa was appointed Assistant Deputy Minister of the Community Safety and Crime Prevention Branch until her return to BC Corrections as Assistant Deputy Minister in 2020.

In addition to receiving four Premier's Awards and the Corrections Exemplary Service Medal – a national top honour, some of Lisa's other career highlights include working as the operations lead with the 2010 Winter Olympic and Paralympic Games Secretariat and anchoring the ministry's lead for cannabis legalization as the Executive Director of the Cannabis Legalization and Regulation Secretariat. Along with her work as Assistant Deputy Minister of BC Corrections, Lisa is currently the co-lead for the Integrated Safety and Security Unit supporting the City of Vancouver for FIFA World Cup 2026 planning.

Ministry of Public Safety and Solicitor General

BC Coroners Service

BC CORONERS SERVICE

Chief Coroner (ADM Equivalent) Responsible: Jatinder Singh Baidwan

Overview of Core Business / Program Area:

The BC Coroners Service is responsible for determining the circumstances of all unnatural and unexpected deaths, all children's deaths, and all deaths in designated institutions. The coroner must establish the identity of the deceased, and when, where, how and by what means the death occurred. Coroners then report their findings in writing to the Chief Coroner. Coroners may also make recommendations aimed at preventing similar deaths in the future.

The Chief Coroner is responsible for administering the *Coroners Act* and supervising and directing coroners in the performance of their duties. There are approximately 58 full and 80 part-time coroners across the province, who receive reports of death on a 24/7 basis, attend scenes of death when indicated by the circumstances and complete fact-finding death investigations.

The BC Coroners Service has several key areas of responsibility including conducting coroners' investigations, holding inquests, reviewing all children's deaths, establishing death review panels, bringing the recommendations of coroners, inquest juries and death review panels to the attention of the appropriate agencies or ministries, preparing, publishing and distributing materials for the purpose of informing the public respecting prevention of deaths, and providing mortality data to support evidence-based decisions.

Coroners' investigations proceed independently and concurrently with the investigations of other agencies, including but not limited to:

- Police - when there is the possibility of culpability in a death and where charges under the Criminal Code or another statute may be considered;
- Independent Investigations Office - all police-related deaths in order to determine whether a police officer may have committed an offence;
- WorkSafeBC – deaths of workers as defined by their legislation; and,
- Representative for Children and Youth – when a child dies while in the custody of, or receiving services from, the Ministry for Children and Family Development.

Budget (millions):

Operating Budget	\$29.284M
Capital Budget	\$ 0.012M

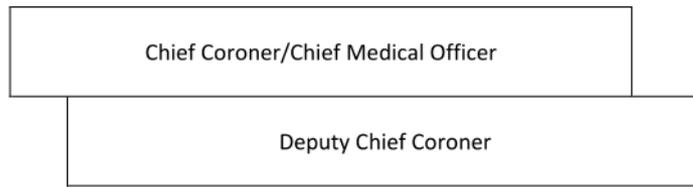
(BC Coroners Service also has capital contingencies Cabinet Confidences; Government
Financial Information)

Full Time Equivalent (FTEs): As of August 2024 - 136

Related Legislation:

Coroners Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Dr. Jatinder Baidwan

Title: Chief Coroner, BC Coroners Service

Ministry: Public Safety and Solicitor General

Biography:

Dr. Jatinder (Taj) Baidwan was appointed Chief Coroner in August 2024. In this role, he oversees the independent investigations of approximately 14,000 deaths reported to the BC Coroners Service annually, including all child deaths as well as deaths reviewed at inquest and by Coroners Service Death Review Panels. Prior to serving as the Chief Coroner, Dr. Baidwan was the Chief Medical Officer for the BC Coroners Service for seven and a half years. In this role, he was an integral part of the senior leadership team and helped lead work to realign the Coroners Service along functional lines. He also led the development of a comprehensive postmortem diagnostic services network across the province. In 2021, Taj was the organizational lead for the investigation of the deaths and recommendations that came from the Heat Dome, as well as the COVID pandemic with its increased death toll.

Prior to joining the BC Coroners Service, Taj was the Executive Vice President & Chief Medical Officer for Vancouver Island Health Authority, now known as Island Health. He is a Fellow of the Royal College of General Practitioners (UK), a certificant of the Canadian College of Family Physicians and holds master's level credentials in leadership and management from the UK. In 2013 he was awarded certification from the Canadian Society of Physician Executives. Formerly he also worked as a military medical officer, leader, manager and planner in both the operational and strategic arenas for large government organizations in the UK.

Ministry of Public Safety and Solicitor General
Corporate Management Services Branch

CORPORATE MANAGEMENT SERVICES BRANCH

ADM and Executive Financial Officer Responsible: Alex Chandler (AG/PSSG) / Tracy Campbell (HOUS)

Overview of Core Business / Program Area:

Corporate Management Services Branch's (CMSB) vision is to be trusted partners and leaders in providing outstanding service. Our mission is to provide leadership and expertise in the delivery of corporate services, matched to the needs of the sector through the dedication and professionalism of an empowered and innovative workforce.

CMSB serves as the consolidated corporate services resource for the Ministries of Attorney General (AG), Public Safety and Solicitor General (PSSG) and Housing (HOUS). Services include finance, strategic human resources, facilities management, business planning, facilitation, process improvement, change management, internal communications, corporate security, strategic planning and project delivery, and safety and risk management supports. Additionally, CMSB acts as the lead strategic link between the various branches and organizations in our sector, government's central agencies (Treasury Board Staff, Office of the Comptroller General), as well as shared service agencies. CMSB provides oversight and expert advice while performing day-to-day corporate functions for the sector.

CMSB supports AG, PSSG, and HOUS, with the branch represented organizationally as part of PSSG. Across the range of corporate services, CMSB delivers services and provides leadership, advocacy and governance to all stakeholders in the justice and public safety sector, matched to meet their needs. The sector also provides minor support to the Ministry of Emergency Management and Climate Readiness, which includes inclusion in the sector's finance governance committee.

CMSB consists of the following core business areas:

- Business Planning and Priorities works collaboratively in the sector to lead, manage and support a diverse group of essential services in, corporate communications, risk and security management, business continuity planning, Justice Summit planning and development, strategic planning and corporate reporting, and identifying, monitoring, and tracking key priorities to ensure the sector achieves its goals, objectives, and vision.
- Ministry Human Resources works in partnership with sector executive and employees to provide sound, value-added and innovative strategic human resource management, organization development services and interventions. The Division also provides strategic, ministry-wide direction and consultation to help branches achieve business priorities and to support employee engagement.
- Finance provides strategic, ministry-wide direction, consultation and training support regarding Budgets, Forecasting, Accounts Payable, Financial Reporting, and Compliance and Procurement. Finance is also responsible for improving the governance and guidelines related to financial standards, policy and procedures. Finance advocates for sustainable branch fiscal management across the sector, including funding, budgeting, contingencies, and treasury board submissions.
- Facilities Services manages and maintains government operated buildings for the sector, supporting each individual client's program, tailored to their specific requirements. The division ensures that each client's facilities are maintained and serviced to the highest government facilities standards, while expenditures remain within approved budgets.

Budget:

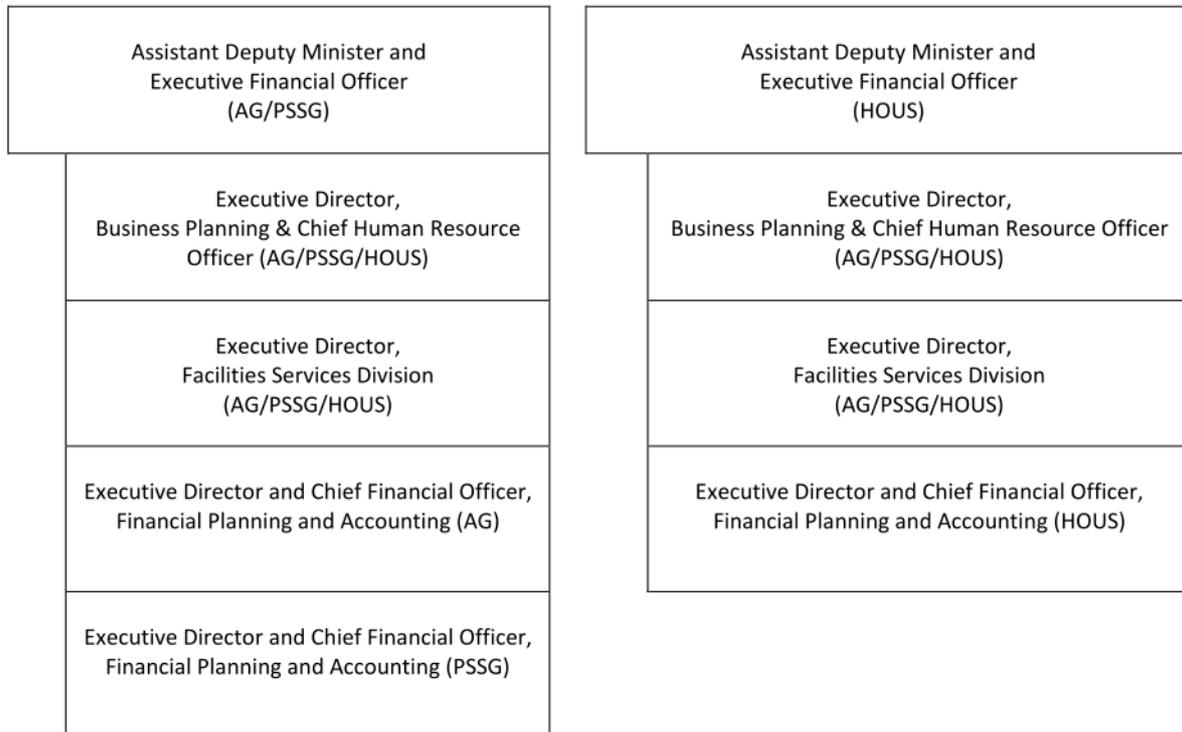
\$ Millions	2023/24 Restated	2024/25 Estimates	Service Plan 2025/26	Service Plan 2026/27
Budget	18.324	19.077	19.077	19.077

Note: The budget for CMSB is with Public Safety and Solicitor General and is included in the Estimates for Executive and Support Services, which is what is presented here for information.

Full Time Equivalent (FTEs): 108 FTEs as of July 31, 2024.

Related Legislation: Not applicable

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Alex Chandler

Title: Assistant Deputy Minister and Executive Financial Officer, Corporate Management Services Branch

Ministry: Ministry of Public Safety and Solicitor General and Ministry of Attorney General

Biography:

Alex joined the Ministry of Attorney General / Public Safety and Solicitor General in June of 2024 as Assistant Deputy Minister and Executive Financial Officer. Alex has almost 20 years of experience in the BC Public Service. During his career he has held a variety of financial and governance related positions.

Most recently he was the Assistant Deputy Minister and Executive Financial Officer at the Ministry of Emergency Management and Climate Readiness where he supported its establishment as a standalone ministry. He has held a variety of executive and management level positions in his public service including ten years with Treasury Board Staff in progressively more senior roles. As the Treasury Board Executive Director, he developed and oversaw budget plans for the natural resource sector.

Ministry of Public Safety and Solicitor General

Corporate Strategic Initiatives Branch

CORPORATE STRATEGIC INITIATIVES BRANCH

ADM Responsible: Megan Harris

Overview of Core Business / Program Area:

The Corporate Strategic Initiatives branch was established in September 2024 – the branch was created from the merger of the Public Safety Transformation Team and Corporate Policy and Planning Office. The branch provides agile ministry policy and project implementation support for emerging key public safety priorities, ensuring timely and effective responses to evolving challenges. The branch also continues to lead ministry strategic planning, corporate planning, coordination and reporting deliverables.

The branch is currently responsible for leading a variety of cross-government initiatives, including Policing and Public Safety Modernization and government's response to the recommendations of the Special committee on Reforming the *Police Act*, public drug use policy, the Safer Communities Action Plan, compliance and enforcement regulatory support, the future of 911, and Next Generation 911.

The branch's mandate includes:

Strategic Planning and Corporate Reporting: Leads the ministry's strategic planning and corporate reporting functions, including the development of ministry strategic plans, services plans, annual service plan reports, risk registers, risk maturity self-assessments, and the ministry's contributions to cross-government corporate reports.

Corporate Coordination: Manages the ministry's policy, regulatory and legislative agenda; provides corporate information management and support; and coordinates and supports the ministry's participation in Federal-Provincial-Territorial (FPT) engagements and other core government engagements.

Specialized Policy and Regulator Oversight: Provides policy support for ministry branches without internal policy resources and regulatory oversight for miscellaneous public safety statutes, including consumer protection legislation, and the associated provincial regulatory authorities, Consumer Protection BC and the Vehicle Sales Authority of BC.

Strategic Policy and Projects: Leads, supports and/or coordinates the end-to-end development and delivery of ministry strategic policy reforms and priority projects in collaboration with relevant program areas and agencies. Projects may include cross-branch, cross-ministry, cross-government projects, and other strategically important matters to the government.

Cross-Branch and Cross-Ministry Initiatives Coordination: Supports planning and implementation of cross-branch and ministry priorities, through secretariat leadership and support services.

Budget: Operating Budget (working budget): \$3.466M

Note: Due to the branch being created as part of an in-year reorganization, it has no identified budget in Estimates. The working budget of \$3.466M includes the base budget amounts for the Public Safety Transformation Team and for Corporate Policy and Planning Office. In addition, the branch also receives contingencies for the Policing and Public Safety Modernization initiative. (\$3.359M approved for 2024/25).

Full Time Equivalent (FTEs): 39 (as of August 2024)

Related Legislation:

Business Practices and Consumer Protection Act
Business Practices and Consumer Protection Authority Act
Cremation, Interment and Funeral Services Act
Food Donor Encouragement Act
Guide Dog and Service Dog Act (parts of)
Ministry of Consumer and Corporate Affairs Act
Motion Picture Act
Motor Dealer Act
Parental Liability Act
Profits of Criminal Notoriety Act
Restricting Public Consumption of Illegal Substances Act (not in force)
Ticket Sales Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Megan Harris

Title: Assistant Deputy Minister, Corporate Strategic Initiatives Branch

Ministry: Public Safety and Solicitor General

Biography:

Megan Harris is a policy, strategic engagement, and communications professional with 20 years of experience in both the public and private sectors. Megan is currently the Assistant Deputy Minister responsible for the Corporate Strategic Initiatives Branch within the Ministry of Public Safety and Solicitor General. In this role, Megan oversees Government's policing and public safety modernization initiative, the response to the Special Committee for Reforming the Police Act report, implementation of Next Generation 911, execution of the Safer Communities Action Plan, and supports the public safety response to the Cullen Commission report.

Previously, Megan was Assistant Deputy Minister, Communications Operations at Government Communications and Public Engagement, providing advice on issues management, crisis communications, and strategic ministry communications. Before this, Megan worked in the Crown Agencies Secretariat in the Ministry of Attorney General, leading the Provincial Anti-Money Laundering Secretariat and providing oversight to the BC Lottery Corporation and Liquor Distribution Branch. Originally from Ontario, Megan held senior roles in engagement, communications, and marketing with the City of Waterloo and Wilfrid Laurier University's Lazaridis School of Business and was a long-time college instructor. In 2011, she was recognized as one of "Waterloo Region's Top 40 Under 40" and was a nominee for the 2010 Rogers Women of the Year Award.

Ministry of Public Safety and Solicitor General

Community Safety and Victim Services Branch

COMMUNITY SAFETY AND VICTIM SERVICES BRANCH

ADM and Executive Financial Officer Responsible: Taryn Walsh

Overview of Core Business / Program Area:

Civil Forfeiture

The Civil Forfeiture Office removes the economic incentives of crime by forfeiting illegally obtained proceeds and tools (with a focus on organized crime and money laundering). Proceeds are used to compensate eligible victims, fund crime prevention activities, and cover the costs of running the Civil Forfeiture Office. The office does not receive any appropriated funding from the province.

Crime Prevention and Restorative Justice

The branch supports community-led crime prevention and remediation projects across B.C. through the annual Civil Forfeiture Grant Program, using the Civil Forfeiture Office's proceeds. The branch also supports 52 community-based, volunteer-driven restorative justice programs through the Community Accountability Program through a \$4-5K contract, and financial support to the Restorative Justice Association of BC to provide training and leadership.

Victim Services and Gender-based Violence/Violence Against Women

The branch provides funding for victim service and violence against women programs in communities across B.C., including: over 160 police-based and community-based victim service programs; VictimLink BC, a province-wide 24/7 confidential helpline (phone/text/email); nine Domestic Violence Units, 239 violence against women counselling and outreach services for women and children who have experienced violence, 70 sexual assault services programs, and 5 sexual assault centres.

The branch also provides victim services directly.

- The Crime Victim Assistance Program offers financial assistance and benefits to victims of violent crime, immediate family members and some witnesses.
- The Court Support Unit assists victims navigating the criminal justice process with timely information and accompaniment.
- The Victim Safety Unit provides notification to victims regarding the custodial and community status of accused persons and offenders.
- The Restitution Program assists victims of crime who have experienced financial loss and have unpaid restitution orders.
- The BC Family Information Liaison Unit is a federally funded program that provides front line one-stop information services for families and loved ones of missing and murdered Indigenous people.
- The Intimate Images Protection Service, launched in January 2024, supports people in B.C. who have had their intimate images shared without their consent.

Human Trafficking

The branch is engaged in ongoing actions to combat human trafficking, including support for the availability of training and education, fostering community-led responses, promoting knowledge exchange and collaboration at the local and national level, and supporting the availability of services to trafficked persons across the province.

Violence Against Indigenous Women and Girls

The branch is responsible for leading the work on B.C.'s Path Forward in response to the recommendations from the National Inquiry into Missing and Murdered Indigenous Women and Girls and contributions to the National Action Plan.

Budget (millions): Net Operating Budget: \$88.3M (not including contingency funding for the Crime Victim Assistance Program Modernization project of ^{Cabinet}_{Confidences} in 2024/25)

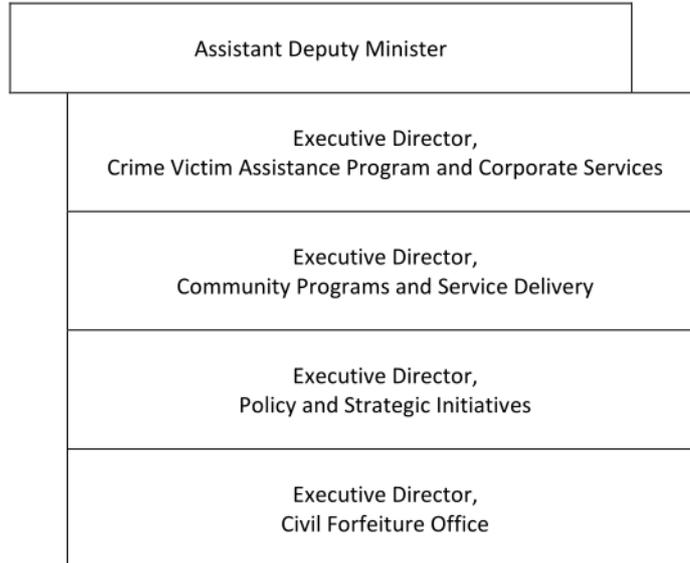
Capital allocation (vehicle) for CFO: \$0.036M

Full Time Equivalents (FTEs): As of August 2024 – 153

Related Legislation:

- British Columbia Neurotrauma Fund Contribution Act
- Civil Forfeiture Act
- Crime Victim Assistance Act
- Criminal Code (federal)
- Criminal Injury Compensation Act
- Intimate Images Protection Act
- Victims of Crime Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Taryn Walsh

Title: Assistant Deputy Minister, Community Safety and Victim Services Branch

Ministry: Public Safety and Solicitor General

Biography:

Taryn was appointed Assistant Deputy Minister of the Community Safety and Crime Prevention Branch in 2021, bringing over two decades of experience with the BC public service into her role. Prior to her current role, Taryn served as the Assistant Deputy Minister with the Ministry of Mental Health and Addictions, overseeing a portfolio that included leading the provincial response to the overdose crisis, enhancing the quality and accountability of supportive recovery services, and supporting workplace mental health across various sectors.

Ministry of Public Safety and Solicitor General
Gaming Policy and Enforcement Branch

GAMING POLICY AND ENFORCEMENT BRANCH

ADM and General Manager Responsible: Sam MacLeod

Overview of Core Business / Program Area:

The Gaming Policy and Enforcement Branch regulates all gambling in B.C. and ensures the integrity of gambling industry companies, people, and equipment. This includes regulatory oversight of commercial gambling conducted and managed by the British Columbia Lottery Corporation such as lotteries, casinos, community gaming centres, commercial bingo halls, and online gambling on PlayNow.com. The branch also regulates B.C.'s horse racing industry and licensed charitable gambling events and delivers problem gambling prevention and treatment services.

The branch has four office locations throughout the province located in Victoria, Burnaby, Kelowna, and Prince George. Six divisions carry out its core business: Gambling Supports; Licensing, Registration and Certification; Compliance; Enforcement; Operations & Independent Gambling Control Office Transition; and Strategic Policy and Projects.

The branch:

- Develops and manages gambling legislation, regulation, standards, and policy;
- Registers gaming service providers and workers and certifies gambling equipment;
- Licenses charitable gambling events and horse racing;
- Develops and enforces rules for the horse racing industry and regulates racing events;
- Audits charitable and commercial gambling activities to ensure compliance with legislation, regulations, rules, and public interest standards;
- Responds to incidents that could threaten the integrity of gambling, including alleged contraventions of the *Gaming Control Act* and, in cooperation with law enforcement, alleged contraventions of the *Criminal Code of Canada*;
- Responds to incidents of potential money laundering in B.C.'s gambling industry, and provides government and its policing partners with information on organized crime and illicit activity impacting gambling in B.C.; and
- Delivers responsible and problem gambling programs, including public awareness, early intervention, harm reduction services, and free clinical counselling.

Budget:

Operating Budget: \$21.461M

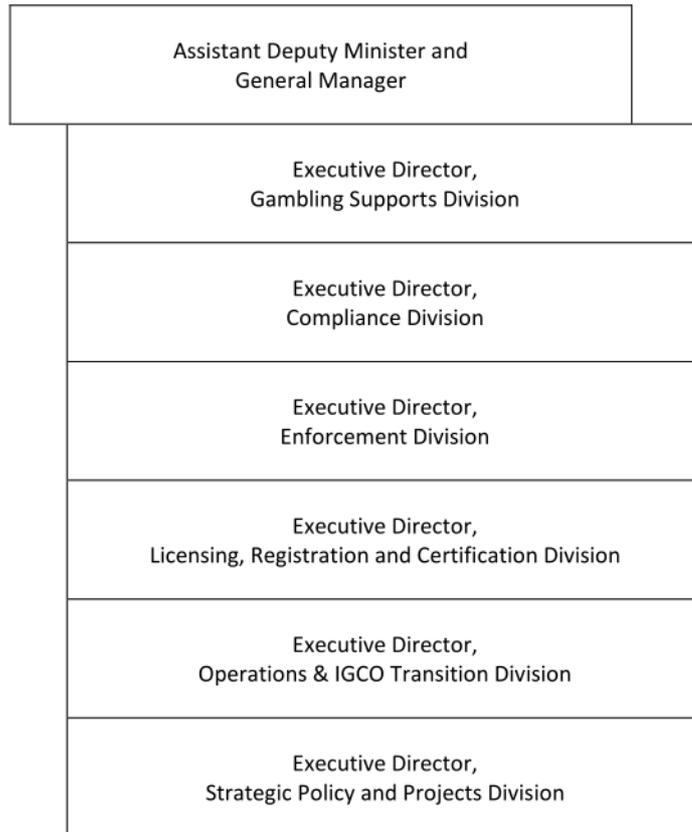
Capital Budget: 0.185M (vehicle)

Full Time Equivalent (FTEs): As of August 2024 - 134

Related Legislation:

Gaming Control Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Sam MacLeod

Title: Assistant Deputy Minister & General Manager, Gaming Policy and Enforcement Branch

Ministry: Public Safety and Solicitor General

Biography:

Sam MacLeod was appointed Assistant Deputy Minister and General Manager of the Gaming Policy and Enforcement Branch in July 2018.

Sam joined the B.C. Government in 2004 after a 29-year career with the Royal Canadian Mounted Police. He has spent his government career in the Justice sector and prior to his current role, held the following positions: Assistant Deputy Minister and Superintendent of Motor Vehicles, Executive Director – Policing, Security and Law Enforcement Operations, Executive Director – Security Programs and Police Technology and Associate Director, Police Services Division. Sam has a Business Administration degree from the University of Ottawa and a Master’s Degree in Terrorism, Risk and Security Systems from Simon Fraser University.

Ministry of Public Safety and Solicitor General
Information Services Branch

INFORMATION SYSTEMS BRANCH

Assistant Deputy Minister and Chief Information Officer: Chris Mah

Overview of Core Business / Program Area:

The Information Systems Branch (ISB) provides information management and information technology (IM IT) advice and services to four ministries: Ministry of Attorney General, Ministry of Public Safety and Solicitor General, Emergency Management and Climate Readiness, and the Ministry of Housing.

ISB is represented organizationally as part of the Ministry of Attorney General within Ministry Operations Executive and Support Services, and supports the goals of the Ministry, the Ministry of Public Safety & Solicitor General, and the Ministry of Housing by:

- Developing technology strategies, plans and roadmaps
- Facilitating technology research and solution options analysis
- Managing a portfolio of IM/IT capital investments
- Developing reusable technology services and capabilities
- Accelerating legacy systems modernization and digital service transformation
- Ensuring adherence to IM IT standards
- Developing and managing information security and privacy policies and procedures; and
- Liaising with government's central agencies and the Office of the Chief Information Officer to deliver coordinated IM IT services.

The branch's services include:

- Operating and maintaining line-of-business applications and databases;
- Delivering technology platforms and infrastructure for use by ministry systems and projects;
- Providing application support and user access management to line-of-business applications;
- Developing and overseeing designs for new systems;
- Developing integrations between systems;
- Overseeing the delivery of IM IT projects;
- Providing Service Design and user-experience related services to business areas;
- Managing IM/IT procurements and relationships with contractors/service providers;
- Delivering information security-related services (e.g. policy guidance, risk assessments, vulnerability scans)
- Delivering Freedom of Information (FOI) coordination services
- Providing Privacy Impacts Assessments (PIA) and consultations
- Ordering hardware and software and provisioning custom technology solutions to business areas;
- Managing web and intranet pages.

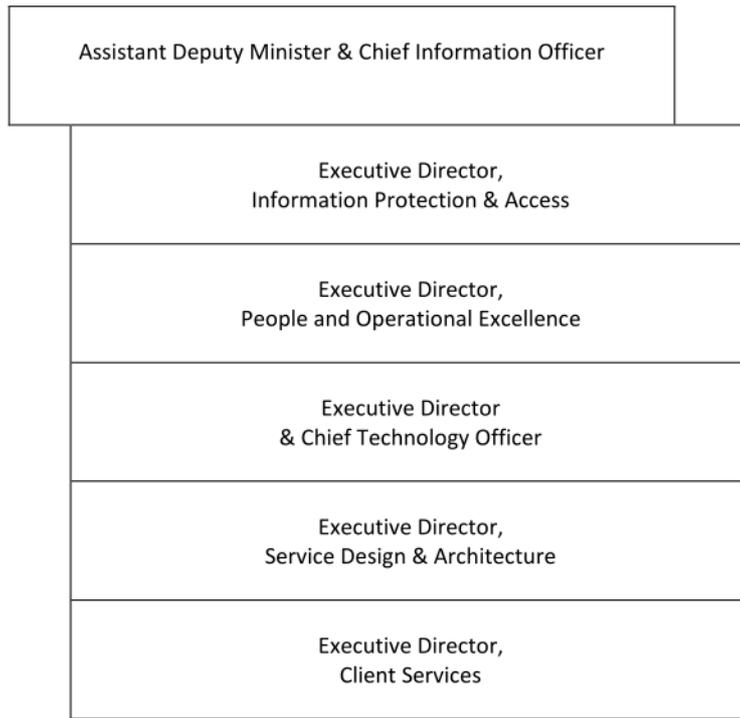
Budget:

\$ Millions	2023/24 Restated	2024/25 Estimates	Service Plan 2025/26	Service Plan 2026/27
Budget	19.826	20.457	20.457	20.457

Full Time Equivalents (FTEs): 128 average FTE for FY25 as of July 31, 2024.

Related Legislation: Not applicable

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Chris Mah

Title: Assistant Deputy Minister and Chief Information Officer, Information Systems Branch

Ministry: Public Safety and Solicitor General, Attorney General, Housing, Emergency Management and Climate Readiness

Biography:

Chris joined the Ministry of Attorney General in 2004. Since that time, Chris has held a number of different positions with responsibility for diverse teams within the branch including, Enterprise Architecture, Service Design, Strategic Planning, Information Security, Service Desk and Project Coordination. As Assistant Deputy Minister, Chris leads a high performing team of professionals who provide IM/IT advice and services to program areas and stakeholders. The team includes security and privacy specialists, enterprise architects, service designers, system engineers, database analysts and administrators, client portfolio specialists, strategic planners, service desk support, application support technicians, and internal business operations.

The Chief Information Officer (CIO) leads the development, implementation and oversight of Information Management and Information Technology (IM/IT) strategy, policy and standards for the justice and public safety sector. The CIO is responsible for the sector's vision and mandate for digital transformation and manages the sector's IM/IT investment portfolio, ensuring alignment with government priorities and support for common capabilities, integrated services, reusable data, and value for money.

Ministry of Public Safety and Solicitor General

Liquor and Cannabis Regulation Branch

LIQUOR AND CANNABIS REGULATION BRANCH

ADM and General Manager Responsible: David Hume

Overview of Core Business / Program Area:

The Liquor and Cannabis Regulation Branch consists of the Assistant Deputy Minister's office and four divisions: Licensing; Compliance and Enforcement; Corporate and Strategic Services; and the Cannabis Secretariat.

The branch regulates British Columbia's liquor industries and private retail non-medical cannabis industries, which include restaurants, bars and pubs serving liquor, liquor manufacturers, liquor retail stores, special events involving liquor, private cannabis retail stores, and cannabis marketing. The Cannabis secretariat focuses on the interests of federally regulated producers, and coordinates government's efforts to promote the success of the legal cannabis market over the illicit market.

- Licensing Division: issues liquor and non-medical cannabis licences or permits, and supervises and educates over 10,000 licensed establishments about liquor and non-medical cannabis laws and rules. The branch has recently undergone a major digital project to modernize and streamline its existing manual and paper liquor licensing processes and move them online to the Liquor and Cannabis Licensing Portal which is the same online portal that licensees used for non-medical cannabis retail store licensing.
- Corporate and Strategic Services Division: develops and provides advice to government on liquor and non-medical cannabis retail policy.
- Compliance and Enforcement Division: is responsible for ensuring public safety and compliance with provincial liquor and cannabis laws at licensed establishments and at more than 3,209 special events in 2021. The branch takes enforcement action when licensees do not follow the *Liquor Control and Licensing Act*, *Cannabis Control and Licensing Act*, associated regulations or their specific terms and conditions. The branch also regulates licensee and server training programs which includes Serving it Right and Selling it Right: BC's Responsible Beverage and Non-Medical Cannabis Service Programs, and Special Event Server.
- Cannabis Secretariat: leads and coordinates the development, refinement and implementation of provincial non-medical cannabis policy, undertakes data monitoring and tracking, engages in public education and awareness, and conducts broader engagement with key stakeholders on policy initiatives that aim to increase the legal cannabis industry's competitiveness and support Indigenous participation. The secretariat co-chairs a working group with the First Nations Leadership Council which discusses cannabis-related issues focused on economic opportunities for Indigenous nations and collaborative governance and jurisdiction with First Nations (Declaration Act Action Plan commitment 4.47). The secretariat also negotiates cannabis agreements with individual Indigenous nations under section 119 of the *Cannabis Control and Licensing Act*.

Budget:

Operating Budget:

- Liquor: \$0.001M (the Liquor program is a 'thousand-dollar-vote' where its expenses are offset by recoveries)

- Cannabis: \$8.274M (the Cannabis program is funded through a hybrid of budget and recoveries.
- Cannabis Secretariat: \$2.500M (not including contingency funding for the Indigenous Cannabis Business Fund ^{Cabinet Confidences;} in 2024/25) and for the Cannabis Legal Market Strategy and transfer to section 119 Nations of ^{Cabinet Confidences; Government Financial} in 2024/25, ^{Cabinet Confidences; Government Financial} in 2025/26 and ^{Cabinet Confidences; Government Financial} in 2026/27)

Note: the Cannabis Secretariat and Corporate Policy and Planning Office were combined as the Cannabis, Consumer Protection and Corporate Policy branch at the beginning of 2024/25 and the Secretariat budget is part of the CCPCP line in Estimates.

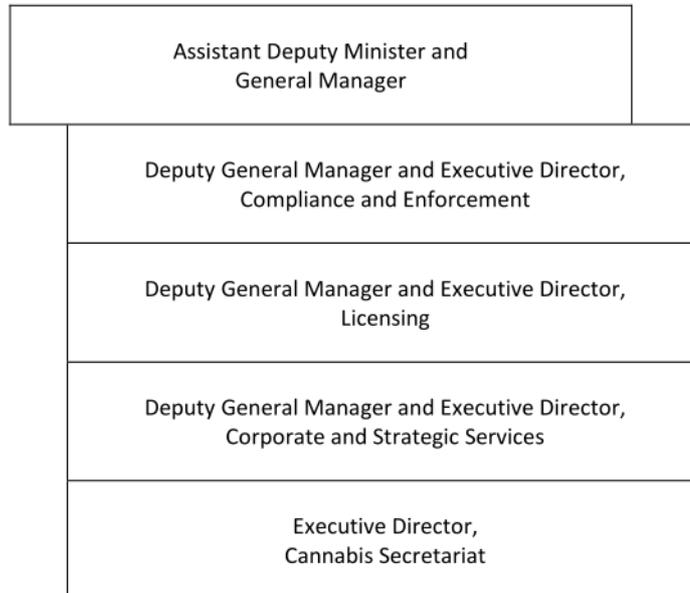
Capital Budget: \$0.198M (vehicles)

Full Time Equivalent (FTEs): As of August 2024 - 216

Related Legislation:

- Cannabis Act (Canada)
- Cannabis Control and Licensing Act
- Cannabis Distribution Act
- Liquor Control and Licensing Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: David Hume

Title: Assistant Deputy Minister and General Manager, Liquor and Cannabis Regulation Branch

Ministry: Public Safety and Solicitor General

Biography:

In 2022, David Hume was appointed as Assistant Deputy Minister and General Manager of the Liquor and Cannabis Regulation Branch (LCRB). David joined the Province of B.C. in May 2009 as the Executive Director of Citizen Engagement. Previously, David has worked in various consulting roles with the United Nations, the Organisation for Economic Co-operation and Development, the Province of New Brunswick, the Federal Government, and the Government of New Zealand.

Prior to his appointment with the LCRB, David was Assistant Deputy Minister of the Government Digital Experience Division in the Ministry of Citizens' Services. As ADM, David was responsible for using public engagement to help create citizen centred policy and services while leveraging government's main web presence to improve services for citizens.

Ministry of Public Safety and Solicitor General

Office of the Fire Commissioner

OFFICE OF THE FIRE COMMISSIONER

Fire Commissioner (ADM Equivalent) Responsible: Brian Godlonton

Overview of Core Business / Program Area:

The Office of the Fire Commissioner (OFC) is the lead provincial agency for fire prevention and fire reporting. The OFC conducts that work through coordination with local governments, fire services and other key partners such as the Local Government Management Association, the Union of BC Municipalities, associations representing Fire Chiefs, and professional and volunteer firefighters, among many others.

The OFC manages the administration and enforcement of fire safety legislation, sets training standards for firefighters in British Columbia and administers provincial firefighter medals and awards. They also support local government with fire investigation, fire inspection, response to major fire emergencies such as the Provincial fire department and provide guidance to local governments on the delivery of fire protection services, public fire prevention and safety education, and structure firefighter training standards.

In addition to the *Fire Safety Act (FSA)*, the OFC administers associated regulations and the British Columbia Fire Code. The office also maintains a fire statistics reporting system that collects all reported fire loss statistics in the province. The statistical information is disseminated through quarterly reports and an annual report used to inform decision making on preventative measure efforts.

The OFC works with the BC Wildfire Service, which helps to protect communities and other critical infrastructure, during wildland urban interface fires.

The office's primary effort in recent years has been preparing for implementation of the FSA which came into force on August 1, 2024. The FSA meets the B.C. government's commitment to achieve a single standard of fire safety in the province. The FSA introduces enhanced monitoring to identify higher-risk buildings, a penalty system to incentivize owner compliance with fire-safety legislation and the BC Fire and BC Building Codes, as well as more effective enforcement tools. These updates are critical for preventing fire-related tragedies and damage in residential, commercial, and industrial properties.

Budget:

Operating Budget: \$3.261M

Capital Budget: \$0.069M

Full Time Equivalents (FTEs): As of August 2024 - 18

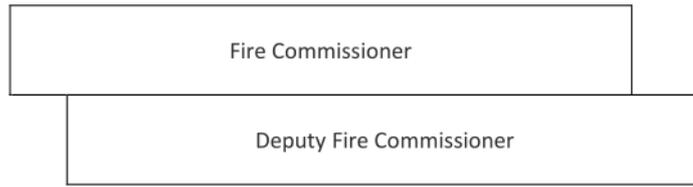
Related Legislation:

Fire Safety Act

British Columbia Fire Code

Fireworks Act

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Brian Godlonton

Title: Fire Commissioner, Office of the Fire Commissioner

Ministry: Public Safety and Solicitor General

Biography:

Brian joined the Office of the Fire Commissioner (OFC) in March 2020 as British Columbia's Fire Commissioner. Prior to this, he had a 28-year career in the fire services with Langley City Fire Rescue Services and Vancouver Fire and Rescue Services, where he served as Deputy Fire Chief. Among other public safety roles, Brian has been a training instructor with the Justice Institute of British Columbia's Paramedic Academy and Fire and Safety Division. As Fire Commissioner, Brian and his team are dedicated to fulfilling the OFC's mandate which is focused on fire prevention, public education, fire incident reporting, training standards, and government program coordination under the *Fire Safety Act*.

Brian is passionate about all aspects of fire safety, in particular collecting accurate data to enhance tools for the assessment of emerging fire-related trends and informed decision-making. Brian recognizes that fire reporting and other fire data is critical to ensure that resources are utilized efficiently and effectively to save lives and reduce the risk of fires in communities—which can have long-term socio-economic impacts. A recipient of the Fire Services Exemplary Service Medal and the British Columbia Long Service Medal, Brian is perhaps most proud of the work he and the OFC team accomplished to prepare local and provincial governments and stakeholders for the long-awaited implementation of the *Fire Safety Act* on August 1, 2024.

Ministry of Public Safety and Solicitor General

Policing and Security Branch

POLICING AND SECURITY BRANCH

ADM and Director of Policing and Law Enforcement Services: Glen Lewis

Overview of Core Business / Program Area:

The Policing and Security Branch provides central oversight of policing, law enforcement and the security industry in B.C. The branch also develops and administers public safety policy, legislation, and initiatives dedicated to the protection of British Columbians and creating safer communities. The branch plays an integral role in enhancing service delivery through modernized policing approaches and integrated inter-jurisdictional cooperation efforts through various initiatives and collaborative programs.

The Policing and Security Branch has five divisions: Municipal Policing Governance and Community Safety; Indigenous, Core Policing and Contract Management; Security Programs; Serious and Organized Crime; and Finance and Administration. The divisions assist the Director of Policing and Law Enforcement Services to superintend policing and law enforcement in B.C., provide oversight and governance of the Police Service Agreements, regulate the private security industry, develop and monitor public safety measures in response to the Cullen Commission report, and administer programs to protect children and vulnerable adults through the Security Programs Division.

The Director of Policing and Law Enforcement Services is responsible for setting standards for critical areas of policing and law enforcement such as use of force, training, equipment, and facilities, as well as issues identified in reviews, inquests, and inquiries. The branch also conducts inspections and evaluations to ensure the accountability and effectiveness of police and security services.

Budget: Operating Budget: \$ 541.647M

Policing and Security branch also receives contingency funding for Core Policing ^{Cabinet Confidences; Government} in 2024/25 and ^{Cabinet Confidences; Government} in 2025/26), the Special Investigation and Targeted Enforcement (SITE) program ^{Cabinet Confidences; Government} in 2024/25 and 2025/26), and the transition to Surrey Police Service ^{Cabinet Confidences; Government} in 2024/25 and 2025/26), and the transition to Surrey Police Service ^{Cabinet Confidences; Government} annually from 2029/30 to 2033/34). ^{Cabinet Confidences; Government Financial} annually from 2025/26

Note: the budget amount is the Estimates amount and includes funding for the Public Safety Transformation Team which is now part of the Corporate Strategic Initiatives branch.

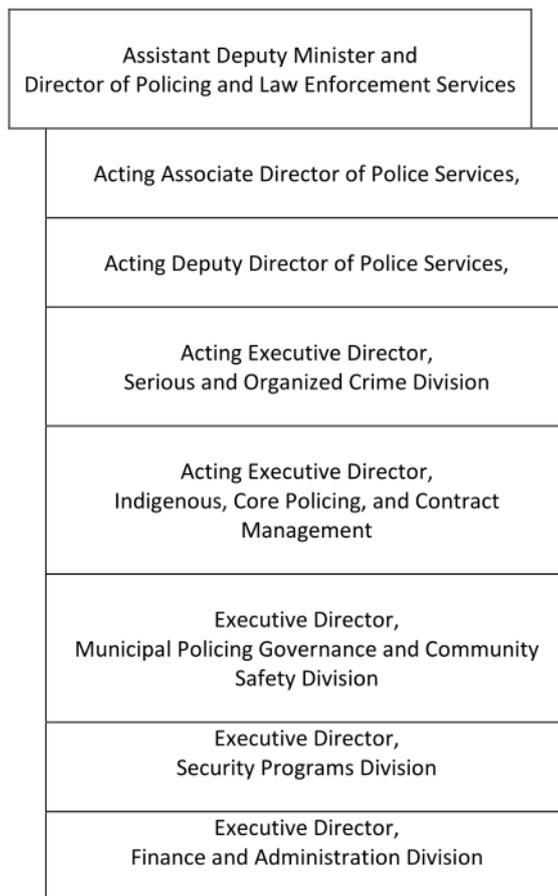
Full Time Equivalents (FTEs): As of August 2024 – 202

Related Legislation:

Armoured Vehicle and After-Market Control Act Body Armour Control Act British Columbia Sex Offender Information Registration Regulations under the Sex Offender Information Registration Act (federal) Cannabis Control and Licensing Act (parts of) Community Safety Act (not in force) Criminal Code of Canada (parts of) (federal) Criminal Records Review Act Emergency Communications Corporations Act	Gunshot and Stab Wound Disclosure Act Metal Dealers and Recyclers Act Missing Persons Act Motor Vehicle Act (parts of) Pill Press and Related Equipment Control Act Police Act (except Part 7.1) Police Amendment Act Provincial Symbols and Honours Act (Part 3) RCMP Act (federal) Safe Streets Act
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Emergency Vehicle Driving Regulation under the Motor Vehicle Act Firearm Act Firearm Violence Prevention Act (not in force) Guide Dog and Service Dog Act (parts of)	Security Services Act Sex Offender Information Registration Act (federal) Sex Offender Registry (not in force) Special Accounts Appropriation and Control Act (federal) Witness Security Act
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Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Glen Lewis

Title: Assistant Deputy Minister & Director of Policing and Law Enforcement Services, Policing and Security Branch

Ministry: Public Safety and Solicitor General

Biography:

Glen has been serving in the role of Assistant Deputy Minister & Director of Policing and Law Enforcement Services since December 2022. He has over 30 years of criminal justice experience, including his roles as the Associate Director of Policing in British Columbia, the first civilian director of policing in Manitoba and as the Executive Director of Policing and Public Safety. Glen has extensive experience working with Indigenous, Municipal, Provincial and Federal policing leaders, elected officials and senior justice officials on law enforcement, justice, and Criminal Code reforms. He has held statutory appointments as the Director of Policing, Director of Witness Security, Director of Victim Services, and other statutory appointments related to organized crime and public safety threats.

Glen has served on the executive of integrated investigative units targeting organized crime and Missing and Murdered Indigenous Women and Girls, and initiatives designed to address opioid use. He also served as the co-chair of the Federal-Provincial-Territorial Senior Officials Working Group on law and policy reform on organized crime. He brings years of experience leading the design and implementation of legislation, including major Police Act reforms, civil forfeiture, and civil-based models to address crime and public safety. Prior to moving to British Columbia, Glen served as Senior Advisor to the Clerk of the Executive Council in Manitoba where he worked with senior executives on public safety and initiatives crossing multiple departments.

Ministry of Public Safety and Solicitor General

RoadSafetyBC

ROADSAFETYBC

ADM and Superintendent of Motor Vehicles Responsible: Amy Miller

Overview of Core Business / Program Area:

RoadSafetyBC operates provincial road safety programs and is the policy and regulatory agency responsible for ensuring the safe operation of motor vehicles as well as establishing and maintaining standards regulating drivers in B.C. RoadSafetyBC is led by the Superintendent of Motor Vehicles, who is the administrative authority governing drivers. The Superintendent delegates decision-making authority to RoadSafetyBC staff and ICBC to perform. RoadSafetyBC oversees multiple programs that support safer roads in the province and fair administrative policies.

As a leader in road safety our vision is to have the safest roads in North America and work toward an ultimate goal of zero traffic fatalities and serious injuries. To this end, RoadSafetyBC adopted Vision Zero in 2015 and works in collaboration with partners and interest users to maximize safe and responsible operation of motor vehicles in B.C.

RoadSafetyBC key program areas include Administrative Justice, Driver Medical Fitness and Remedial Programs. The Administrative Justice Program conducts administrative hearings and appeals related to various administrative prohibitions for driving while affected by alcohol or drugs including the Immediate Roadside Prohibition Program, and administrative reviews for vehicle impoundments. The Driver Medical Fitness Program ensures that drivers are medically fit to safely operate a motor vehicle. The Remedial Programs oversee the operation of driver intervention programs including the Responsible Driver Program, the Ignition Interlock Program, and the Driver Improvement Program.

RoadSafetyBC leads the Enhanced Traffic Enforcement Program which is responsible for delivering enhanced traffic initiatives across B.C., targeting the top contributing factors to casualty crashes. The branch supports the targeted enforcement delivered through Integrated Road Safety Units and initiatives such as the CounterAttack impaired driving campaign. RoadSafetyBC is also using technology such as the Intersection Safety Camera Program and introduction of eTicketing to make safety advancements on our roads. The Intersection Safety Program currently operates cameras at 140 high-risk locations, capturing images of vehicles that run red lights. Thirty-five of the cameras also detect speed. RoadSafetyBC has developed technology enabling electronic ticketing at the roadside, online payment of violation tickets, improved road safety business intelligence and dedicated resources to support ongoing operations.

Budget:

Operating Budget: \$36.440M

Capital Budget: \$0.147M (vehicles)

Full Time Equivalent (FTEs): As of August 2024 - 221

Related Legislation:

Commercial Transport Act

Motor Vehicle Act

Offence Act

Passenger Transportation Act

Lien on Impounded Motor Vehicles Regulation

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Amy Miller

Title: Assistant Deputy Minister & Superintendent of Motor Vehicles, RoadSafetyBC

Ministry: Public Safety and Solicitor General

Biography:

Amy was appointed Assistant Deputy Minister and Superintendent of Motor Vehicles on January 1, 2023, and has over 15 years of experience in the Public Service. Amy has a reputation for building high performing teams and collaborative relationships across organizations to provide sound advice and innovative solutions. As the Superintendent of Motor Vehicles, Amy provides executive leadership to a team of 245 dedicated public servants on the development and implementation of effective road safety programs and strategies with the goal of eliminating motor vehicle crash fatalities and serious injuries.

Prior to this, Amy was Assistant Deputy Minister and Deputy Cabinet Secretary where she led the 2020 and 2022 administrative transition of government. Amy also held various roles within the Deputy Minister to the Premier's Office, Treasury Board Staff, and the Ministry of Aboriginal Relations and Reconciliation. Amy holds a master's degree in political science from Memorial University of Newfoundland and a bachelor's degree from the University of Northern British Columbia.

Ministry of Public Safety and Solicitor General

30/60/90 Day Issues

MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
30-60-90-Day Issues

Issue / Decision / Activity	Brief Description
30 Days (Nov)	
Cabinet Confidences	
Cabinet Confidences	
Advice/Recommendations; Cabinet Confidences; Legal Information	

Cabinet Confidences	
Cabinet Confidences; Legal Information	

Issue / Decision / Activity	Brief Description
Cabinet Confidences	
Advice/Recommendations; Cabinet Confidences	
Cabinet Confidences	
60 Days (Dec)	
Advice/Recommendations; Cabinet Confidences	
Cabinet Confidences	

Issue / Decision / Activity	Brief Description
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Cabinet Confidences

Issue / Decision / Activity	Brief Description
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Cabinet Confidences

90 Days (Jan)

Cabinet Confidences

Issue / Decision / Activity	Brief Description
Cabinet Confidences	

Ministry of Public Safety and Solicitor General

Major Issue Notes

**Ministry of Public Safety and Solicitor General
Minister's Transition Book**

**Major Issue Notes
Table of Contents**

1. Addressing Public Safety Concerns
2. Provincial Policing and Surrey Police Service Transition
3. Unregulated Drug Crisis
4. Correctional Centre Space Designated Under the Mental Health Act
5. Class Action lawsuit regarding "solitary confinement"
6. Organized Crime and Unexplained Wealth Orders
7. Gender Based Violence - National Action Plan Funding
8. MMIWG Inquiry's Calls for Justice & Red Dress Alert Pilot
9. Next Generation 911 Implementation and E-COMM
10. Gaming Control Act Implementation
11. Legal Cannabis Industry and Enforcement
12. Fire Safety Act
13. 2026 FIFA World Cup Preparations

MAJOR CORPORATE ISSUE NOTE

Ministry/Ministries: Public Safety and Solicitor General (PSSG) with support from AG, MMHA, HLTH, and HOUS.

Issue: Addressing concerns about public safety

- PSSG is partnering with other ministries to deliver a range of important public safety initiatives including the Repeat Violent Offending Intervention Initiative (ReVOII) and the Special Investigations and Targeted Enforcement (SITE) program. Cabinet Confidences
- PSSG is collaborating with Health Canada and the Ministry of Mental Health and Addictions (MMHA) to address public safety concerns associated with public drug use and prescribed alternatives (i.e., safer supply) such as drug diversion. Legal Information

Background:

Approach to creating safer communities

- The approach called for steps at the provincial level to make communities safer by way of two tracks: enforcement and intervention services. Each initiative is structured to improve coordination between law enforcement, community service organizations, justice system agencies, health providers, and people who are recovering from addiction and mental-health challenges. They apply a collaborative, coordinated approach to address the issues people are seeing in their communities.

Public drug use

- On January 31, 2023, the Province implemented an exemption granted by Health Canada under s.56(1) of the CDSA to decriminalize adults in B.C. from possessing opioids, cocaine, methamphetamine, and MDMA, for personal use, up to a combined 2.5g, for a three-year term.
- Cabinet Confidences

Cabinet Confidences

The RPCISA received Royal Assent on November 8, 2023, but is not yet in force, as a Regulation is required to bring the RPCISA into effect.

- Under the RPCISA, people are not allowed to use illegal drugs: 1) within 15-metres of a playground, spray or wading pool; or skate park; 2) at parks, beaches, sports fields, and outdoor community recreation areas; 3) within 6-metres of an entrance to a business or a residential building that is next to a publicly accessible space, and; 4) within 6-metres of a bus stop.
- The RPCISA utilizes a progressive enforcement approach, meaning that if a person is using, or has recently used drugs in one of the above places, a police officer must first ask them to stop using and/or leave the vicinity before considering arrest and/or drug seizure.
- Legal Information

Legal Information

- On May 7, 2024, at the request of the Province, Health Canada replaced the originally issued CDSA s.56(1) exemption with a new one that prohibits adults from possessing the listed drugs in all places, except in private residences, for unhoused people who are lawfully sheltering, and at designated health care clinics, such as overdose prevention sites and drug testing facilities.
- On June 6, 2024, a coalition of advocacy organizations filed an application for a Judicial Review (JR), challenging Health Canada’s decision to issue the new CDSA s.56(1) exemption to B.C. Despite this Federal Court application, the new CDSA s.56(1) exemption remains in effect.
- Legal Information
- On August 21, 2024, the Federal Court granted B.C.’s application to have the Minister of Mental Health and Addictions added as respondent on the JR.
- Legal Information

- Intergovernmental Communications

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Diverted prescribed alternatives (i.e., “safe supply”)

- There is presently no evidence that there is currently widespread diversion of prescribed alternatives in the illicit market in BC or Canada.
- Hydromorphone tablets have consistently comprised a small proportion of law enforcement-seized opioid samples in BC.
- There are other reasons for diversion that are not related to the prescribed safer supply program (e.g., pharmacists and/or prescribers overprescribing and failing to abide by professional guidelines/policies).
- According to the BC Coroners Service there is no indication that prescribed alternatives are contributing to unregulated drug deaths
- Since early March 2024, there has been increased interest and attention to the perceived issue of prescribed alternatives being diverted away from the intended recipients and sold to youth and other members of the public.
- Policing and Security Branch (PSB) is leading a cross-sector “Diverted Prescribed Alternatives Working Group” (the “Working Group”) to coordinate, review, and address the issue of suspected diversion of prescribed alternatives in BC. The inaugural meeting was held on April 25, 2024.

Implications / Considerations / Opportunities:

Approach to creating safer communities

- In the context of continued random violent attacks, street disorder, shoplifting and attacks on business staff, there have been calls from many areas including UBCM, business leaders, media and BC residents, to take additional actions regarding safer communities in addition to the investments to date.
- Ministry staff continue to develop both short-term and long-term strategies surrounding street disorder and community safety.
- Additional consideration for continuation of programs in the plan will be needed ^{Cabinet} _{Confidences; Government Financial Information}

Public drug use

- Public drug use restrictions continue to remain in place pending a resolution to the federal JR. _{Cabinet Confidences; Legal Information}

Government Information

Diverted prescribed alternatives (i.e., “safe supply”)

- Dr. Penny Ballem is a member of the Working Group as the Operations Specialist on Addictions and the Toxic Drug Crisis. As of September 2024, Dr. Bonnie Henry is also a member of the Working Group in her role as the Provincial Health Officer.
- One of the core objectives of the Working Group is to consider the process for more accurate data collection from both the policing, and health sectors, as well as pharmacy representatives, with the intention to create training materials for police to better identify counterfeit drugs.
- The Working Group will also contribute to the Ministry of Mental Health and Addictions’ monitoring framework of prescribed alternatives and assess how the provincial government can

support our police partners through monitoring the diversion of prescription medications.

Decision(s) Required / Next Steps:

Advice/Recommendations; Cabinet Confidences

Advice/Recommendations; Cabinet Confidences; Legal Information

MAJOR CORPORATE ISSUE NOTE

Ministry/Ministries: Public Safety and Solicitor General (PSSG)

Issue: Provincial Policing and Surrey Police Service Transition

- PSSG is actively working on several policing policy initiatives, including the Policing and Public Safety Modernization (PPSM) Initiative, the Director of Police Services' determination regarding policing in Victoria and Esquimalt, and overseeing the ongoing transition from the RCMP to the Surrey Police Service.
- PSSG is also managing important policing service delivery matters, such as funding for the Justice Institute of BC (JIBC) for police training and overseeing the ongoing investment of \$230M in new funding to add RCMP officers to the Provincial Police Service (PPS).

Background:

Policing and Public Safety Modernization Initiative

- The PPSM Initiative is making progress on responding to the recommendations of the all-party Special Committee on Reforming the Police Act. In October 2022, government approved taking a phased approach to the PPSM Initiative.
 - Phase One legislation provided the opportunity to address some long-standing issues in the existing *Police Act* with a focus on municipal governance and oversight.
 - Phase Two includes the co-development of new policing and police oversight legislation with First Nations and Indigenous leadership organizations, and local government leaders. Areas of focus for potential reform include police oversight, governance, funding, training, and Indigenous services, and provincial policing models. Subject to further direction from government on scope and funding for implementation
 - Phase Three will see the introduction and implementation of new legislation.

Policing in Esquimalt and Victoria

- The Director of Police Services is currently reviewing submissions from the Victoria and Esquimalt Police Board, the Township of Esquimalt and the City of Victoria to make a determination related to the Victoria and Esquimalt Police Board 2023 budget. Under section 27(3) of the Police Act, if a council does not approve an item or amount in a police board's provisional budget, the Director must determine whether the item or amount in dispute must be included in the budget.

Justice Institute of BC Funding

- The JIBC Police Academy has a provincial mandate to deliver basic training to all new municipal police recruits in BC. It also offers advanced training for municipal police departments and other law enforcement agencies. Currently, training is provided to 192 recruits per year, in 3 classes of 64 recruits.
- Police recruit training is funded by an annual grant from the Ministry of Public Safety and Solicitor General (\$1.995M), tuition from recruits (\$15,315 per recruit in 2024/25) and contributions from municipal police agencies (\$24,375 per seat in 2024/25). The Ministry of

Post-Secondary Education and Future Skills (PSFS) provides the JIBC an annual operating grant (\$17.9M in 2023/24) but generally no targeted funding for police training.

- Police agencies have indicated that they will need approximately 50 more recruit seats than the Police Academy has capacity for.
- A variety of factors are contributing to increased recruit training demand beyond normal Police Academy capacity. Some of these factors include a large retirement cycle exacerbated by pension improvements, hiring of additional officers by various agencies, and the creation of the Surrey Police Service.

Surrey Police Transition

- Surrey's police model transition moves into its next phase on November 29, 2024 whereby the Surrey Police Service (SPS) will become the City's police of jurisdiction and the RCMP Provincial Police Service will provide temporary transitional assistance support to the SPS until it has fully capacity to provide policing as a stand-alone agency. On this date, the City's Municipal Police Unit Agreement for RCMP municipal policing will terminate.
- A Joint Implementation Table, comprised of senior executive leaders from the Ministry, Public Safety Canada, the City of Surrey, the RCMP (National Headquarters and E-Division), the SPS, and the Surrey Police Board, is overseeing and leading the required work to advance to this phase and beyond, as necessary.
- Prior to becoming Surrey's police of jurisdiction, the SPS and the Surrey Police Board must demonstrate to the Director of Police Service's that they have met the statutory and practical requirements of a police agency of jurisdiction. Ministry staff are currently conducting an assessment of SPS to inform the Director's determination on this matter, which is anticipated to be completed by the end of October 2024.

Provincial Investments into the Provincial Police Service (PPS)

- Historically, provincial investments into the PPS have not been sufficiently responsive to the continuing and increasing demands for resources. As crime continues to evolve and become more complex, the need to address and mitigate these public safety challenges further exacerbates the increases to operational requirements and costs. The number of RCMP Provincial Police Service vacancies continues to be a concern.
- In November 2022, the Province approved a multi-year investment of approximately \$230 million to the BC RCMP, as the Provincial Police Service, to address existing vacancies.
- This investment will allow the PPS to reach its full authorized strength of 2,602 members, established in the 2012 Provincial Police Service Agreement. The filling of existing vacancies under this investment is not an increase in new member positions beyond the authorized strength of 2,602 members.
- The three-year Provincial Investment period started April 1, 2023, and concludes March 31, 2026, with staffing actions occurring over the three fiscal years 2023/24, 2024/25 and 2025/26.

Implications / Considerations / Opportunities:

Policing and Public Safety Modernization (PPSM) Initiative

- Phase Two has highlighted the complexity of the PPSM Initiative, driven by identified risks, financial considerations, legal complexities, and operational implications on numerous modernization policy topics.

- The success of the PPSM Initiative will require ongoing meaningful and comprehensive cooperation and consultation with Indigenous Peoples and co-development with local governments, and significant provincial funding for implementing the new legislation.
- This multi-year initiative will move BC towards a future state of more equitable, flexible, and effective policing, built on greater transparency, trust, and resiliency to maximize socioeconomic return on investment and build a solid foundation upon which to improve public trust in policing.

Policing in Esquimalt and Victoria

- Ministry staff are actively engaged with staff from the Township of Esquimalt and the City of Victoria to support their development of a police model transition proposal and plan for ministerial review and approval.

JIBC Funding

- In September 2024, the Police Academy presented a proposal at a BC Association of Municipal Chiefs of Police (BCAMCP) meeting to expand training capacity. Following the meeting, the BC Association of Police Boards, the BC Police Association and the BCAMCP requested funding from the Province to support the implementation of this proposal - ^{Government Financial Information} Government Financial Information
- ^{Government} to student tuition to reduce financial barriers for applicants from ethnically diverse ^{nt} communities and for those with young families.
- A shortfall of police recruit training seats could destabilize public safety throughout the province and may obstruct SPS from meeting its hiring targets as it becomes the police of jurisdiction.

Surrey Police Transition

- Work by Ministry staff is being undertaken to ensure the City’s cost obligations for its policing, per s.15 the *Police Act*, for the payment of the PPS’ temporary transitional assistance to the SPS for the remainder of Surrey’s transition period.
- Work is also being undertaken to ensure City’s payment of its cost obligations related to closing out its MPUA, including remedying any amounts in arrears or survival costs.

Provincial Investments into the Provincial Police Service

- The Provincial Investment is helping to address long standing public safety gaps in vulnerable areas, within the Provincial Police Service, including major crime units, BC Highway Patrol and provincial rural and remote detachment units. While this investment applies only to units and positions within the PPS, it is anticipated that its positive impacts will benefit public safety for all communities in B.C.
- Additionally, it enables the BC RCMP, as the Provincial Police Service, to support member wellness in these units by permitting for more reasonable scheduling of police officers and ensuring communities, including many Indigenous communities, are receiving the services they need.
- As of June 30, 2024, the BC RCMP’s progress on the Provincial Investment targets is on track in relation to the established timelines:
 - Regular Member (RM): ^{Security Concern} RM target_y ; and,
 - Public Service Employee (PSE): ^{Security Concern} PSE target_y ; ^{Security Concern}

Decision(s) Required / Next Steps:

PPSM Initiative
Cabinet Confidences

JIBC Funding

- Advice/Recommendations

- In order for the JIBC Police Academy to increase class sizes for the May 2025 cohort to meet demand, the funding must be approved and provided to the JIBC in fall 2024.

Surrey Police transition

- Subsequent to November 29, 2024, the Director of Police Services will continue to superintend Surrey's police model transition to completion. This includes completing any remaining assessments or evaluations of SPS required for it to become a stand-alone police agency, monitoring SPS' hiring and/or issuing directions to the Surrey Police Board, the SPS, or the City of Surrey.
- The Director will also administer provincial responsibilities related to the Provincial Police Service Agreement pertaining to the temporary transitional assistance, as well as administering any responsibilities related to the termination of Surrey's Municipal Police Unit Agreement.

Provincial Investments into the Provincial Police Service

- PSB staff are actively engaged with the BC RCMP on identifying and prioritizing staffing actions under this investment.
 - Monthly Provincial Investment meetings have occurred since the announcement to provide updates on progress, identify key priorities, establish business processes, develop staffing strategies and address other aspects of the Provincial Investment.
- Work being carried out under this investment is providing an opportunity to not only address existing vacancies as a priority, but also allowing the Province and the BC RCMP to consider the realignment or establishment of units that may be required in order to better address the evolving complexity and demands of policing, such as cybercrime, since the signing of the 2012 Provincial Police Service Agreement.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Unregulated Drug Crisis

- A public health emergency was declared in 2016, due to a significant increase in unregulated drug toxicity deaths.
- More than 15,200 people in BC have lost their lives to unregulated drug toxicity since 2016.
- There are often questions regarding how unregulated drug toxicity deaths are investigated by the BC Coroners Service (BCCS), specifically centering on expedited toxicological testing and the volume of autopsies performed by BCCS forensic pathologists.

Background:

- Since the public health emergency was declared in 2016, deaths due to unregulated drug toxicity have continued to increase in B.C. Since 2021, more than six people have died from unregulated drug toxicity each day; the national average is 21 unregulated drug deaths per day.
- Unregulated drug toxicity is the leading cause of unnatural death in the province, accounting for more deaths than homicides, suicides, motor vehicle incidents, drownings and fire-related deaths combined.
- BC Coroners Service data has been critical in providing timely, comprehensive information about suspected unregulated drug toxicity deaths.
- BCCS data is shared with provincial partners monthly and federal partners on a quarterly basis.
 - With provincial partners, line-level data is provided that includes demographic, location, relevant substances and substance use pattern data.
 - Federal partners are provided aggregate data, which includes demographic and relevant substances data.
- A dedicated specialized coroners unit investigates unregulated drug toxicity deaths. The coroners consider all aspects of the circumstances of a death in determining postmortem investigative steps.
- The BC Coroner Service's Medical Unit, which includes forensic pathologists and emergency room physicians, are routinely consulted in complex cases.
- Over the last five years, on average, 15 per cent of drug toxicity deaths have undergone autopsy, having initially been triaged by looking at the scene, body and decedent's history, along with results from expedited toxicology.
- The coroner may consider foregoing an autopsy if a death is suspected to be caused by unregulated drugs based on a thorough examination of the scene, body and history, and subsequent expedited toxicology results confirming the presence of a potentially fatal level of drugs.
- Expedited toxicological testing can be completed for any accidental drug toxicity death when the body, scene and history are consistent with drug toxicity as the cause of death.
- Expedited toxicological testing is performed by the Provincial Toxicology Centre.
 - Testing includes screening for 24 different substances, as well as an evaluation of the

approximate concentration of each substance and the likelihood that the substance could have led to death, either on its own or in combination with other substances.

- Samples are further analyzed by an independent lab in the U.S.
- Results are then reviewed and compared with findings of preliminary testing by an independent, board-certified forensic toxicologist before use in a Coroners Service investigation.
- The BCCS expedited toxicology program has been recognized as exemplar by other jurisdictions in allowing timely data to be presented, which informs evidence-based health actions at the local, provincial and federal levels.

Implications / Considerations / Opportunities:

- Because not all unregulated drug toxicity deaths undergo autopsy, this issue is commonly connected to the rate of postmortem exams performed annually by BCCS.
- The next reporting of unregulated drug toxicity deaths for the months of August and September 2024 will be shared during the second last week of October 2024, following the provincial election.

Decision(s) Required / Next Steps:

- No decisions/next steps required.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Correctional centre spaces designated as secure mental health care facilities.

Background:

- In September 2024, two sites located within BC Corrections were identified for use as designated mental health facilities to support people with brain injury, mental illness and severe addiction.
- The Living Unit G, located within Surrey Pretrial Services Centre and two standalone Monarch Houses at the Alouette Correctional Centre for Women were discontinued as correctional centres through OIC to allow the Ministry of Health to designate them as mental health facilities.
 - The Living Unit G, will be operated and staffed exclusively by the Provincial Health Services Authority as a designated mental health facility. This new facility is a pilot that will focus on rapid treatment of individuals in custody who require treatment for mental health issues and/or acute withdrawal and detox management care. The unit will initially start with 10 beds, with the potential to increase to 20 beds.
 - The Monarch Houses at the Alouette Correctional Centre for Women are located outside the secure perimeter of the centre will be operated and staffed by Vancouver Coastal Health. They will focus on individuals who require intensive long-term mental health and addiction supports in a secure setting. Vancouver Coastal Health will commence operations in phases and this designated mental health facility will hold 20 patients when at full occupancy. This patient population will come from the health authorities and is not linked to the corrections population.

Implications / Considerations / Opportunities:

- Minimal renovations are required to Surrey Pretrial Services Centre and Monarch Houses, and work is underway to develop the necessary policy, procedures, and protocols to support implementation.
- The Forensic Psychiatric Hospital, operated by the Provincial Health Services Authority, is currently the only provincial mental health facility that provides involuntary care to individuals from provincial correctional centres.

Decision(s) Required / Next Steps:

- No decision required.

MAJOR ISSUE NOTE

Ministry / Ministries: Ministry of Public Safety and Solicitor General.

Issue: North class action lawsuit related to BC Corrections' use of separate confinement / segregation between April 18, 2005 – December 22, 2020, the Ministry expects conclusion before the end of the year resulting in both monetary and non-monetary requirements.

Background:

- On July 30, 2024, a term sheet outlining the terms of a proposed settlement was signed by both parties, which outlines the monetary terms that class members are entitled to if the settlement agreement is finalized.
- While the settlement does not outline specific non-monetary requirements to amend separate confinement practices, it includes an agreement that the parties will continue to negotiate in good faith upon terms related to segregation reform.
- In 2019, BC Corrections conducted a review of its separate confinement / segregation practices and established the Segregation Reform Project.
- Highlights of the Segregation Reform Project include alignment with national and international standards, enhanced case management, alternatives to segregation, enhanced administrative fairness, improved conditions of confinement, and an increased focus on supports for individuals with mental health needs.

Implications / Considerations / Opportunities:

- While significant reforms have been made, BC Corrections continues to update separate confinement practices, including:
 - Identifying additional opportunities to provide further supports, case management and facilitate meaningful human contact for individuals who decline to leave their cell during their allotted free time out.
 - Continuing infrastructure updates/renovations in remaining centres to improve conditions and meaningful time out of cell opportunities.
 - Improving information tracking systems.
 - Notwithstanding actions to address this issue it is possible that the practice of segregation will continue to be a liability risk for the Province due to the need to segregate some inmates to protect themselves and others.

Decision(s) Required / Next Steps:

- The parties will continue to negotiate the non-monetary terms related to segregation reform.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

ISSUE: Unexplained Wealth Orders (UWO's) to Combat Organized Crime

- In 2023, British Columbia introduced UWO's, a sophisticated new tool to more aggressively pursue the forfeiture of assets associated to organized crime, drug trafficking and money laundering.

BACKGROUND:

Civil Forfeiture in B.C.

- The BC Civil Forfeiture Office (CFO) operates under the *Civil Forfeiture Act* and primarily targets the proceeds and tools of those involved in organized crime and money laundering. Since its inception in 2006 the CFO has forfeited \$181 million in illegal assets and distributed over \$82 million in community crime prevention grants funded from those recoveries.
- To proceed with forfeiture, the CFO must satisfy the court that the assets are the proceeds of unlawful activity and/or an instrument of unlawful activity, and that the unlawful activity is contrary to a provincial or federal statute. The unlawful activity can have taken place anywhere inside or outside of BC, but the asset must be located in B.C.

Countering Organized Crime through UWO's

- Organized crime has been using increasingly sophisticated methods for laundering their illegal proceeds of crime which is suggested to be worth up to \$8 billion a year¹ in B.C. Many of these methods are designed to hide the source of their wealth to avoid asset forfeiture by the CFO.
- As a unique anti-money laundering investigation tool, a UWO is designed to focus on specific assets that have been accumulated by members of criminal organizations by cutting directly through techniques designed to hide these assets and avoid forfeiture
- UWO regimes are currently operating in over 100 jurisdictions worldwide. The UK has had recent success with their legislation, upon which BC's legislation is modeled.

UWO's in B.C.

- Adoption of UWO legislation was recommended in the Final Report on the Commission of Inquiry into Money Laundering in British Columbia that was released in June 2022.
- In April 2023, B.C. amended the *Civil Forfeiture Act* to include a UWO regime. UWOs are not an order to forfeit property, rather they are an order against a person to explain the source of the wealth to acquire or maintain the asset that may then be used in civil forfeiture proceedings.
- The fundamental principle of UWO's is that the person who accumulated or holds the wealth is in the best position to explain how they obtained it.
- On application by the Director of the CFO, the BC Supreme Court may issue a UWO requiring a person to explain how they acquired or maintained a specific asset or assets.

¹ Final Report on the Commission of Inquiry into Money Laundering in British Columbia, June 2022.

- To obtain a UWO the Director of the CFO must satisfy the court with the following criteria:
 - Reason to suspect person or close relative or associate is involved in unlawful activity;
 - Reason to believe the person holds property above \$75,000 in value;
 - Serious question to be tried as to whether the person:
 - Lacked sufficient legitimate income to acquire or maintain the property; or
 - Used money from their unlawful activity to acquire or maintain the property; or
 - Used the property in a way that renders it akin to “offence-related property.”
- To date, the CFO has filed four UWO applications , with further applications anticipated as files are identified.

IMPLICATIONS / CONSIDERATIONS / OPPORTUNITIES:

- There are two separate and unique UWO constitutional challenges and these matters are recurrently before the courts. One defendant is claiming that the UWO breaches one or more Charter-protected rights while a different defendant in a different action is claiming that UWO’s are ultra vires (outside the authority) of the Provinces
- Legal challenges to UWO’s were anticipated and the CFO looks forward to these issues proceeding through the courts. ^{Legal Information}
 Legal Information
- The Supreme Court of Canada, the BC Court of Appeal and the BC Supreme Court have all consistently upheld the validity of civil forfeiture with respect to both the proceeds and tools of unlawful activity.

DECISION(S) REQUIRED / NEXT STEPS:

Advice/Recommendations; Legal Information

² Cullen Commission Recommendation 99: I recommend that the Civil Forfeiture Office significantly expand its operational capacity by adding investigators and analysts capable of identifying and targeting unlawfully obtained assets and instruments of unlawful activity beyond those identified in the police fleet.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Gender-Based Violence Action Plan: Funding via Women and Gender Equity (WAGE) Canada

- As the government lead in victim services, the Ministry of Public Safety and Solicitor General manages a large portion of funding and activities identified in BC's Gender-Based Violence Action Plan, *Safe and Supported*. WAGE Funding allocations for the next two years of the plan will be determined by the Gender Equity Office, Ministry of Finance.

Background:

- BC's Gender-Based Violence Action Plan was launched in December 2023. The plan was developed following almost two years of consultation and has four priorities:
 - increasing safety and supports for survivors;
 - lifting up Indigenous-led approaches;
 - breaking cycles of violence through prevention, healing and accountability; and
 - learning from and monitoring our progress.
- The four-year Action Plan is funded by the Province along with a WAGE Canada investment of \$61.9 million through the National Action Plan to End Gender-Based Violence (2023/24 – 2026/27).
- PSSG received more than half of the total funding for Years 1 and 2 of the Action Plan (\$17.996 million of the total \$25.896 million), with the majority of this funding managed by the Community Safety and Victim Services Branch (CSVS). The Action Plan committed to mobilizing funds for community-based organizations and Indigenous-led initiatives. As such, almost all funds allocated to PSSG were in turn granted to service providing organizations.
- The first public report on the National Action Plan will be released by Canada in late 2024. The Gender Equity Office is considering what approach B.C. will take to public reporting and measurement.
- The Gender Equity Office is seeking input regarding priorities for Year 3 and 4 of WAGE funding.

Implications / Considerations / Opportunities:

- Allocation decisions for Years 3 (2025/26) and 4 (2026/27) of the Action Plan have not been made.
- Further funding of \$18 million per year is currently available for Years 3 (2025/26) and 4 (2026/27) of the Action Plan. Ministries have submitted requests to the Gender Equity Office and these exceed the funding available.

Advice/Recommendations

- The External Advisory Committee has also been consulted on priorities. External Advisory Committee members come from the anti-violence sector and underserved communities (for example sex workers, seniors, 2SLGBTQIA+ people, First Nations and Métis organizations). This group indicated a broad list of priorities for future years including: housing, emergency shelter spaces and better access to housing for trans women; equitable access to childcare for children with disabilities; supports and housing for seniors experiencing Intimate Partner Violence; services for men who use violence; and support for Indigenous data governance.

Decision(s) Required / Next Steps:

- The Gender Equity Office is responsible for providing advice to the government regarding priorities.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Missing and Murdered Indigenous Women and Girls – Response to the Final Report of the National Inquiry and the Proposed Red Dress Alert Pilot

Background:

MMIWG and the Calls for Justice

- It has been five years since the release of the 231 Calls for Justice in the Final Report of the National Inquiry into MMIWG and three years since the release of BC’s initial response, *A Path Forward: Priorities and Early Strategies*. The Path Forward was directly informed through community dialogues in 2019 and 2021 with survivors, advocates and family members.
- A Path Forward contains 28 key commitments aligning community-based priorities with strategies addressing some of the provincially relevant Calls for Justice. Since 2021, government has released a yearly Status Update report that provides highlights of progress on the cross-ministry actions. All 28 commitments are well underway, and six are complete.
- The Indigenous-led Path Forward Community Fund was created in 2022 to provide First Nations (urban/off reserve), Metis, Inuit, and Two-Spirit and gender-diverse organizations with grants to lead community safety planning and capacity building projects. Total investment of \$10.84 million to date supports 51 anti-violence projects. A further \$5 million was announced on June 3, 2024 (Federal funding that supports the BC Gender-Based Violence Action Plan).
- In June 2024, the Union of BC Indian Chiefs (UBCIC) approved a resolution that called for an ongoing First Nations-Government advisory table to guide the work on MMIWG and the Calls for Justice, as well as sustainable multi-year funding, resourcing and capacity to support the table.

Red Dress Alert Pilot

- In May 2023, an unanimously approved motion in the House of Commons declared MMIWG a Canada-wide emergency and called for funding for a new public alert system. The proposed “Red Dress Alert” was discussed at the National Roundtable of Indigenous leaders and Federal-Provincial-Territorial ministers in February 2024.

Implications / Considerations / Opportunities:

- First Nations and Metis partners have expressed interest for more accountability and enhanced collaboration and coordination to advance the work of government responding to MMIWG and the Calls for Justice.
- First Nations, Metis and Inuit women, girls and Two Spirit+ people continue to face disproportionate levels of violence and there is great interest in, and support for, initiatives such as a notification system to help address violence and keep communities safe.

Decisions Required / Next Steps:

- Direction will be sought regarding next steps and priorities in addressing Missing and Murdered Indigenous Women and Girls and responding to the Final Report of the National Inquiry

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Next Generation 911 Implementation and E-COMM

Next Generation 911 Implementation:

- The Canadian Radio-television and Telecommunications Commission has mandated the implementation of Next Generation 911 (NG911) and the decommissioning of current 911 networks by March 4, 2025. E-Comm and other service providers including TELUS, RCMP, BC Emergency Health Services, fire services, regional districts, and municipalities have begun to upgrade their systems in an attempt to meet this deadline.
- However, implementation is delayed in B.C. and across Canada due to several factors including delays in regional districts signing local government authority agreements necessary for migration to the NG911 network provided by TELUS.

E-Comm:

- Business Information; Cabinet Confidences

- Cabinet Confidences

Background:

NG911:

- NG911 is the modernization and transition of 9-1-1 emergency services from an aging analog system to a fully internet protocol-based system and requires substantial upgrades to infrastructure and technology. The CRTC has stated this must be in place across Canada by March 4, 2025, however, it is anticipated by the majority of agencies and operators across the country that the CRTC may announce in late fall 2024 a further delay to the deadline. A letter to the CRTC from the ministries of Public Safety Solicitor General and Citizen Services was sent in June 2024, requesting an extension to the March 2025 deadline.
- In March 2023, the Province invested \$150 Million to offset some of the costs associated with NG911 implementation. This funding was divided into two parts: \$90M to E-Comm for technological upgrades and related costs; and \$60M to UBCM to support local preparedness for NG911 implementation and provide funding to local governments, First Nations, and public safety answering points to assist with the transition and operational readiness.
- Currently 14 of the applicable 22 regional districts in B.C. have signed Local Government Agreements, with several others anticipated to be signed before January 30, 2025. Any delay in signing the agreements past this date will have a financial impact to E-Comm of approximately \$1 Million per month.

E-Comm:

- E-Comm is an emergency services corporation that provides 911 call handling services, systems and related infrastructure for most areas of B.C. (approx. 99%), including areas served by RCMP. Government has no directive powers for E-Comm’s operations but has two senior staff members on the E-Comm board. E-Comm is funded by levies for call taking and dispatch from their client agencies, which includes many B.C. municipalities.

- Business Information

- Citing concerns with ECOMM’s service levels and unsustainable, increasing costs, and the uncertain financial and operational impacts of NG911, UBCM 2024 Resolution EB40 calls on the province to engage local governments in a comprehensive review of the governance model, 9-1-1 and non-emergency call taking and dispatch services, to assure reliable, affordable, and sustainable services for all communities.

- Cabinet Confidences

- In 2019, costs associated with police dispatch transitioned to the respective communities in the South Island, following the closure of the RCMP Operational Communications Centre and operations moved to E-Comm. At that time, the Province agreed to continue funding 100% of the costs through to March 31, 2025.

- Cabinet Confidences

Implications / Considerations / Opportunities:

Next Generation 911 Implementation:

- Ministry staff continue to work with regional districts, E-Comm, TELUS and others to support the implementation of NG 911 and to encourage an expedited signing of the Local Government Agreements.

E-Comm:

- Cabinet Confidences

- Advice/Recommendations; Cabinet Confidences; Government Financial Information

-

- Cabinet Confidences

Decision(s) Required / Next Steps:

- Cabinet Confidences
-

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Gaming Control Act Implementation

- In fall 2022, government passed a new *Gaming Control Act* (GCA) to address systemic weaknesses in BC's gambling regulatory framework that hindered an effective response to money laundering in lower mainland casinos. Regulations are required to bring the new Act into force.

Background:

- The new Gaming Control Act addresses recommendations made in Dr. Peter German's 2018 report on money laundering in BC casinos and the report from the Cullen Commission of Inquiry into Money Laundering.
- The new Act creates greater authority for the gambling regulator to independently set regulatory requirements for the gambling sector. It also modernizes the current Act to account for developments in online gambling and evolving gambling technologies, clarify roles and responsibilities between the regulator and the BC Lottery Corporation, and create a greater role for the gambling regulator in anti-money laundering.
- The Gaming Policy and Enforcement Branch is developing accompanying regulations under the new Act, which include both Lieutenant Governor in Council (LGIC) and general manager regulations.
- The LGIC regulations will ^{Cabinet Confidences}
Cabinet Confidences The regulations also set requirements for gaming facility development projects, horse racing drug testing, enforcement disclosure, and protection of minors.
- Gaming Policy and Enforcement Branch has consulted with BC Lottery Corporation, gambling industry companies, the charitable sector, the horse racing sector, and Indigenous partners throughout the development of the regulations.
- The general manager regulations will set requirements for advertising, training, security and surveillance, charitable gambling events, and prevention of problem gambling and unlawful activity, such as money laundering and fraud.
- Government has also publicly announced intentions to transition Gaming Policy and Enforcement Branch to the Independent Gambling Control Office when the new Act comes into force by regulation.

Implications / Considerations / Opportunities:

- ^{Advice/Recommendations; Cabinet Confidences}

- Intergovernmental Communications

Decision(s) Required / Next Steps:

- Advice/Recommendations; Cabinet Confidences

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: Legal Cannabis Industry and Enforcement

- Six years after cannabis legalization the legal cannabis industry continues to struggle due to complex regulations, high taxation and competition from the illicit market, which controls about 45% of the market.
- The illicit cannabis market impacts public health and safety and undermines a legal cannabis industry struggling with rising business exits.
- A viable legal sector is crucial to improve legal market capture against an increasingly complex illicit market.
- Collaboration with First Nation governments through government-to-government agreements and enforcement actions on-reserve are essential in ensuring a viable legal market.

Background:

- Legal businesses have captured approximately 55% of the BC cannabis market, with the rest controlled by illicit market players, including organized crime.
- The economic viability of the legal cannabis market is a concern as licensed producers face major regulatory and tax burdens, struggle to make profits and increasingly exit the industry. There is a risk that some may turn to the illicit market with small-to-medium and Indigenous-owned businesses being vulnerable to predatory and criminal activity.
- A major burden for licensed producers is the federal excise tax, established in 2017 based on overestimated revenues at legalization. Excise tax consumes 17-30% of sales revenues and gets worse as prices decline, with many licensed producers in arrears on excise tax.
- Public awareness is needed to profile the harms of illicit products and support consumers to confidently identify legal sources. Many consumers find it difficult to identify illicit cannabis, especially online, and are unaware of the harms associated with these products.
- The Cannabis Secretariat has developed the Legal Market Strategy, a comprehensive cross-government approach to increase cannabis legal market capture.
- The Community Safety Unit is responsible for compliance and enforcement of illicit sale and production of cannabis in B.C. The Unit employs a progressive enforcement approach, prioritizing enforcement on factors including public safety, integrity of the legal market, links to organized crime, and consideration of the Province's commitment to Reconciliation.
- The illicit cannabis industry has evolved since legalization. Illicit production continues and retailers have adapted, operating online and on First Nations land. Enforcement against these operators is challenging.
- While B.C.'s cannabis laws are of general application, some First Nations are critical of the Community Safety Unit and bring forward complex legal arguments and/or litigation related to Indigenous rights, jurisdiction and sovereignty. The Unit has also faced criticism, and litigation, for a perceived lack of enforcement on First Nations lands.
- Since legalization, the Community Safety Unit's actions have resulted in the closure of nearly all illicit physical cannabis storefronts, except those on reserve. This includes 362 educational

inspections, 112 enforcement inspections involving the seizure of over \$38M in illicit cannabis and the disruption of 1049 websites involved in illicit cannabis sales.

Implications / Considerations / Opportunities:

- **Federal Excise Tax Advocacy:** The Ministry has written to federal counterparts to request urgent action on the excise tax burden three times, most recently in September 2024. The Cannabis Secretariat is working with the Ministry of Finance on options for an interim alternate BC model to support legal producers.
- **Legal Market Strategy Refresh:** Underway with partners to review and update priorities and resourcing requirements for key initiatives. Topics of discussion have included public education and consumer awareness, advancing cannabis hospitality and tourism like FIFA 2026, market controls, a direct-delivery review, and local government engagement.
- **Indigenous Relations:** Continuing government-to-government negotiations under S.119 of the *Cannabis Control and Licensing Act* and by providing funding to increase legal industry participation under the Indigenous Cannabis Business Fund.
- **Community Safety Unit:** Illicit cannabis investigations have become akin to traditional drug investigations and involve crime analysis, specialized investigative techniques, increased collaboration with enforcement partners, multiple hearing stages, and substantial legal advice. The Unit is adapting to meet the complexities in enforcement and administrative hearings; however, the ability to conduct concurrent investigations is limited due to the number of available investigative positions and budget reductions.
- The Community Safety Unit routinely works with law enforcement partners and is considering opportunities for increased collaboration in the future.

Decision(s) Required / Next Steps:

- Advice/Recommendations
-

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: *Fire Safety Act*

- The *Fire Safety Act (FSA)* received Royal Assent in 2016 and was brought into force through OIC on August 1, 2024, replacing the *Fire Services Act* of 1979.
- The new act introduces enhanced monitoring to identify higher-risk buildings, more effective enforcement tools and a penalty system to incentivize owner compliance with fire-safety legislation and the BC Fire and Building Codes.
- The *FSA* has impacts on local government (municipal and regional district).

Background:

- The *FSA* is required to achieve a single standard of fire safety in the province.
- Under the *FSA*, local authorities (which include municipalities and regional districts) have the statutory obligation to designate fire inspectors to conduct fire safety inspections and to designate fire investigators to conduct fire investigations.
- As outlined in the *FSA*, a monitoring entity is a municipality. Municipalities will operate within a risk-based compliance monitoring model, which means that their designated fire inspector will be responsible for conducting all fire inspections. They will also be responsible for conducting fire investigations.
- Regional districts are not monitoring entities and under the *FSA*, they operate within a reactive (complaint-based or owner-requested) model.
- The *FSA* had not been brought into force until August 1, 2024, largely because regional districts had concerns with the new requirements expressing that they did not have the expertise, capacity and funding to undertake fire inspections and fire investigations in their areas.
- To prevent any further delay to the implementation of the *FSA*, the Office of the Fire Commissioner (OFC), with the appropriate executive endorsement, agreed to support regional districts with fire inspections and investigations, upon request.
- Regional districts will not incur any financial costs for the services provided by the OFC. This arrangement will be evaluated on an ongoing basis.
- It's important to note that some regional districts have the expertise, capacity, and funding to conduct fire inspections and investigations within their jurisdictions.
- The regional district model was developed in collaboration with the Union of B.C. Municipalities (UBCM) and the OFC.
- Both reactive inspections and risk-based compliance monitoring aim to keep occupants safe from fire hazards by preventing tragedies, preserving human life, and reducing property and economic loss due to fires.
- The Act establishes the authority for the fire commissioner to issue an administrative monetary penalty (AMP) in specific circumstances of non-compliance, such as non-compliance with a fire inspector order or a preventive evacuation order and after the local authority has exhausted all the tools (e.g., bylaws) that they have at their disposal.

- An AMP is designed to deter non-compliance with requirements under the Act and the regulations. The AMP amounts are up to \$25,000 in the case of an individual and \$50,000 in the case of a corporation.
- Administrative penalties will be focused on serious, repeated, or deliberate cases of non-compliance with the FSA.

Implications / Considerations / Opportunities:

- On June 28, 2024, Treasury Board confirmed in writing, that they approved the Ministry of Public Safety and Solicitor General’s request to bring the *FSA* into force.
Advice/Recommendations; Cabinet Confidences
- The Act includes only municipalities and regional districts. Some improvement districts have expressed an interest in designating their fire inspectors/fire investigators instead of only regional districts. The OFC is currently seeking a legal opinion on this.

Decision(s) Required / Next Steps:

- Advice/Recommendations; Cabinet Confidences
-
- Some early implementation communication (e.g., news release, direct stakeholder communication, website updates and newsletter) has been completed. Virtual sessions to inform local authorities and building owners of their roles and responsibilities under the *FSA* are planned for late November 2024.

Ministry of Public Safety and Solicitor General
MAJOR ISSUE NOTE

Issue: 2026 FIFA World Cup (FWC26) safety and security planning.

Background:

- FWC26 will be the largest World Cup ever held and the first to feature 48 teams playing in 16 cities across three host countries: Canada, the United States and Mexico.
- The tournament will be held over 39 days, opening in Mexico City on June 11, 2026, and closing in New York/New Jersey on July 19, 2026. Vancouver will host seven matches over the course of 25 days between June 13 and July 7, 2026.
- The Ministry of Tourism, Arts, Culture, and Sport leads a cross-ministry Assistant Deputy Minister Committee on Marquee Sport Events and will be the lead for FWC26 supported by the Ministry of Public Safety and Solicitor General (PSSG) for safety and security functions.
- In May 2022 the Minister of Public Safety and Solicitor General provided a government guarantee letter to FIFA regarding safety and security and the protection and exploitation of commercial rights.
- The following branches within the Ministry of Public Safety and Solicitor General are engaged in planning for FWC26:
 - Policing and Security Branch (Police Services and Security Programs)
 - Liquor and Cannabis Regulation Branch
 - BC Coroner Service
 - Office of the Fire Commissioner
 - Corporate Policy and Planning Office (re: consumer protection)
- A Vancouver Host City Integrated Safety and Security Unit has been established to lead safety and security for FWC26. The Integrated Safety and Security Unit is jointly led by the City of Vancouver, the Province (represented by PSSG), and the Vancouver Police Department and is responsible for the overall coordination, planning, and provision of safety and security in collaboration with safety, security, and medical partners.
- The Integrated Safety and Security Unit has been working with the Host City Committee to establish updated cost estimates for the provision of safety and security for the event. The Host City Committee will be providing updated cost estimates to the Province by the end of October.

Implications / Considerations / Opportunities:

- The Integrated Safety and Security Unit continues to refine cost estimates based on updated FIFA hosting requirements, the confirmed match schedule, confirmed planning assumptions, and ongoing threat and risk assessments in tandem with the Ministry of Tourism, Arts, Culture, and Sport, Ministry of Finance, and City of Vancouver. A change in threat level between now and the event could significantly alter cost estimates for safety and security.
- The Final Draw for FWC26 is expected to take place at the end of 2025 and will further shape

the safety and security planning based on who will be playing in Vancouver.

- Jurisdictions neighbouring Vancouver can expect to see an influx of travelers and the potential for spontaneous events related to FWC26. Given potential impacts to safety and security beyond the borders of Vancouver, FWC26 safety and security planning requires ongoing partnership and collaboration between the Vancouver Police Department and neighbouring police agencies. The Integrated Safety and Security Unit has embedded both the RCMP and Metro Vancouver Transit Police within operational planning processes.

Decision(s) Required / Next Steps:

- No decision required.



BRITISH COLUMBIA

May 5, 2022

Ref. 630953

Fédération Internationale de Football Association (FIFA)
Gianni Infantino, President
FIFA-Strasse 20
CH-8044 Zurich
Switzerland

Dear Mr. President:

**Government Guarantee relating to the 2026 FIFA World Cup™ and
the FIFA World Cup Tests
Government Guarantee #4: Safety and Security
Government Guarantee #5: Protection and Exploitation of Commercial Rights**

In relation to the 2026 FIFA World Cup™ and the FIFA World Cup Tests taking place in Canada, the United States of America and Mexico, Her Majesty the Queen in right of the Province of British Columbia (“Government of British Columbia”), represented by the undersigned, who is duly authorized to act and provide this Government Guarantee on behalf of the Government of British Columbia, hereby ensures and guarantees to FIFA the following.

A. Definitions

The definitions in the Government of British Columbia’s ‘Government Guarantee #7’ apply to this Government Guarantee.

I. Government Guarantee #4: Safety and Security

B. Safety and Security

The Government of British Columbia’s Ministry of Public Safety and Solicitor General (“PSSG”) is well positioned to support the successful and safe delivery of the 2026 FIFA World Cup, FIFA World Cup Tests and related events. PSSG supports the development of provincial public safety policy and the delivery of associated services and programs, including policing and law-enforcement superintendence, crime prevention and reduction, private security industry regulation, and consumer protection. PSSG also administers regulations for the liquor, non-medical cannabis and gaming sectors, and leads the development and coordination of an effective emergency management system in British Columbia (BC).

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The Government of British Columbia assures FIFA that, if Vancouver is selected as a Host City, the Government of British Columbia will work with Canada Soccer and appropriate levels of government at the federal and local levels, including police of local jurisdiction, to plan and implement integrated safety and security measures in relation to hosting and staging the Competition and the Competition-related Events in a safe and peaceful manner.

As Minister of Public Safety and Solicitor General, my responsibility under the *Police Act* is to ensure that an adequate and effective level of policing and law enforcement is maintained throughout BC, which includes setting the goals, objectives and priorities for policing and law enforcement. Correspondingly, day-to-day deployment of police services falls to the federal Royal Canadian Mounted Police (RCMP), the applicable municipal police departments or the relevant designated policing and/or law enforcement units; operational decisions occur at arm's length from the Government of British Columbia.

PSSG's Director of Police Services superintends policing and law enforcement matters in BC on my behalf, with responsibilities that include establishing provincial policing standards (including requirements to take training on appropriate use of force), inspecting and reporting on the quality of police services, conducting inquiries on matters regarding crime and its investigation and control, and of policing and law enforcement.

As the minister responsible for the *Emergency Program Act* (EPA), I am responsible for emergency planning, preparation and response measures in BC. Under the EPA, if satisfied that an emergency exists or is imminent, I can declare a state of emergency relating to all or any part of BC. Once a state of emergency is declared, the EPA grants me the authority to do all acts or implement all procedures I consider necessary to prevent, respond to or alleviate the effects of an emergency or a disaster. Emergency Management British Columbia provides support and coordination for disaster and emergency situations. Local governments also have a role in emergency planning, preparation and response within their jurisdictions.

In British Columbia, local governments are responsible for providing 9-1-1 services in their communities. E-Comm, an emergency communications corporation established under the *Emergency Communications Corporations Act*, handles 99 per cent of the initial calls. 9-1-1 is the emergency services phone number for most communities in the province and in the event of a natural disaster the province shares information about current incidents through Emergency Info BC which is the province's official channel for emergency alerts.

II. Government Guarantee #5: Protection and Exploitation of Commercial Rights

C. Commercial Rights

Ticket sales

The Government of British Columbia confirms that applicable laws related to the selling and reselling of tickets for live events will apply to the Competition and Competition-related Events.

The *Ticket Sales Act* (TSA) and the *Business Practices and Consumer Protection Act* (BPCPA) will apply as follows.

- a. The TSA regulates how businesses sell tickets to live events held in BC and requires businesses to disclose to consumers the ticket price, face value and any terms and conditions that apply to the ticket.
- b. Businesses selling tickets in BC are required to detect “bots” and cancel tickets purchased using them, and to disclose any ticket restrictions, including whether purchasers are prohibited from transferring or selling their tickets to others.
- c. The TSA provides authority for regulations to be made providing exemptions from some or all of the TSA requirements.
- d. The BPCPA includes general requirements for businesses, including what contract information must be disclosed to consumers, as well as cancellation and refund rights for consumers. These would apply to some event ticket sales.

Consumer Protection BC is responsible for enforcement of the TSA and BPCPA and has the authority to investigate breaches and issue administrative (monetary) penalties for contravening the acts.

In relation to the commercial-rights matters described above, the Government of British Columbia would be prepared to participate on a local rights protection committee with other levels of government (national and local).

Advertising and sale of alcohol

The Government of British Columbia confirms that the laws and regulations regarding the advertising of alcohol will apply to the Competition including Section 169 of the *Liquor Control and Licensing Regulation*, which requires all liquor advertising to comply with the Code for Broadcast Advertising of Alcoholic Beverages published by the Canadian Radio-television and Telecommunications Commission.

The Government of British Columbia may, if and to the extent the Government of British Columbia considers it appropriate and necessary, take steps under the *Liquor Control and Licensing Act* to:

Gianni Infantino, President
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- a. allow, with or without restrictions or conditions, the consumption, use, sale, service or purchase of liquor without a licence or permit; and
- b. exempt, with or without restrictions or conditions, a person, licensee or permittee from one or more provisions of the *Liquor Control and Licensing Regulation*.

The Government of British Columbia confirms that the B.C. Pavilion Corporation, the “Stadium Authority” under the Stadium Agreement, currently has the ability to sell alcohol at events hosted at BC Place.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Farnworth", with a stylized flourish at the end.

Mike Farnworth
Minister of Public Safety and Solicitor General
and Deputy Premier

Ministry of Public Safety and Solicitor General

Ministry Stakeholder List

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
KEY STAKEHOLDERS**

Name	Description	Key Issues / Interests
ACORN Canada	ACORN (Association of Community Organizations for Reform Now) Canada is an independent national organization of low- and moderate-income families working for social and economic justice.	<ul style="list-style-type: none"> • Consumer protection, high-cost credit, payday loans.
Alliance of Beverage Licensees (ABLE BC)	Advocacy group that represents BC's private liquor industry, including Licensee Retail Stores and liquor primary establishments (bars, pubs, hotels). Recently joined with BC Private Liquor Store Association (BCPLSA). ABLE BC also advocates for the private cannabis retail sector. BTAP panel member).	<ul style="list-style-type: none"> • Chair of Business Technical Advisory Panel (BTAP) • Supports for hospitality. • Advocacy for liquor retailers, liquor primary (LP) • Advocacy for cannabis retailers
Alliance of BC Modern Treaty Nations	The Alliance of BC Modern Treaty Nations works together to advance and advocate for areas of shared interest relating to the implementation of modern treaties in British Columbia. Membership includes each of the eight Modern Treaty Nations in BC.	<ul style="list-style-type: none"> • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
Applied Science Technologists and Technicians of BC (ASTTBC)	Serves the public and its members with support, services and resources essential to the practice of professional home inspections.	<ul style="list-style-type: none"> • Consumer protection, home inspector regulation. • The Superintendent of Professional Governance has been assessing the home inspection industry for the last couple of years to determine viability for professional governance.

Name	Description	Key Issues / Interests
Association of BC 911 Service Providers (ABC911)	911 dispatch service providers from across the province, including E-Comm 911.	<ul style="list-style-type: none"> • Key partner for 911 work including Next Generation 911 and 911 future framework.
Automotive Retailers Association (ARA)	Advocacy group representing 1,000 business members in the automotive industry in BC giving voice to key issues and needs of the industry. Include impound lot operators as part of their provincial association	<ul style="list-style-type: none"> • Concerned about regulation of impound lot operators, including towing and storage rates. • Consumer protection, motor dealers. • Currently providing industry inputs regarding potential future amendments to the Motor Dealer Act, which are under consideration by PSSG policy staff.
BC Assembly of First Nations (BCAFN)	<p>BCAFN is a regional advocacy group for the 203 First Nations in BC that works to achieve the following:</p> <ul style="list-style-type: none"> • advance the rights and interests of First Nations people in BC, • restore and enhance the relationship among First Nations people in British Columbia, the Crown and the people of Canada, • develop and promote programs and policies for the benefit of First Nations people in British Columbia, • work in coalition with other organizations that advance the rights and interests of Indigenous peoples. 	<ul style="list-style-type: none"> • BC Path Forward to end violence against Indigenous women, girls and 2SLGBTQQIA+ people. • Correctional services • First Nations policing • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform) through the First Nations Leadership Council.
BC Association for Charitable Gaming (BCACG)	BCACG represents charities and community groups promoting access to gaming revenues that are licensed and regulated by the Province of BC.	<ul style="list-style-type: none"> • GPEB charitable licensing rules updates • Gaming Control Act and Regulation reform

Name	Description	Key Issues / Interests
BC Association of Aboriginal Friendship Centres (BCAAFC)	The BCAAFC is an innovative organization working collaboratively with its member centres and partners to support urban Indigenous people as they realize their vision of health, wellness, and prosperity. An umbrella organization for the 25 Friendship Centres throughout the province.	<ul style="list-style-type: none"> • Correctional services. • Supporting victims/survivors from Indigenous communities. • Implementing the Path Forward Community Fund.
BC Association of Chiefs of Police	Represents all RCMP detachments and Municipal departments in British Columbia, along with key stakeholders who have a tie to policing.	<ul style="list-style-type: none"> • Liaises with police agencies across Canada, advances ethics and integrity in BC policing, and advocates for development and implementation of efficient and effective practices in prevention and detection of crime. • Key partner informing the development and potential future implementation of the Restricting Public Consumption of Illegal Substances Act. • Coroners service. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform). • Key partner for Safer Communities Action Plan initiatives and informing future direction. • Key partner on 911 work, including Next Generation 911 and 911 future framework.
BC Association of Chiefs of Police Traffic Safety Committee	All RCMP detachments and municipal Departments, senior traffic leaders and road safety partners from across the province. Meet annually to discuss policy and legislation issues impacting their organizations. Member of the BC Road Safety Strategy community of practice	<ul style="list-style-type: none"> • Road safety, particularly legislation, policies, practices and programs involving or impacting traffic enforcement.

Name	Description	Key Issues / Interests
BC Association of Municipal Chiefs of Police	Includes Independent Municipal Chiefs of Police from across the province that meet to discuss policy and legislation issues impacting their organizations.	<ul style="list-style-type: none"> Public safety Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
BC Association of Police Boards	Each municipal police department is overseen by an appointed police board. These boards perform a governance and oversight function under the Police Act.	<ul style="list-style-type: none"> Governance. Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform). Key partner for Safer Communities Action Plan initiatives and informing future direction. Key partner on 911 work, including Next Generation 911 and 911 future framework.
BC Centre for Disease Control	A program of the Provincial Health Services Authority - provides provincial and national leadership in disease surveillance, detection, treatment, prevention and consultation.	<ul style="list-style-type: none"> Coroners service.
BC Centre on Substance Use	Provides expertise to support people impacted by substance use and related harms. The centre's core functions include Research and Evaluation, Education and Training, and Clinical Care Guidance.	<ul style="list-style-type: none"> Coroners service.

Name	Description	Key Issues / Interests
BC Civil Liberties Association	Advocacy group that promotes and defends civil liberties and human rights. Core programs in their mandate include Litigation in Court; Law and Policy Reform; Public Legal Education; and Community-based information assistance and advocacy.	<ul style="list-style-type: none"> • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
BC Craft Brewers Guild	Collection of small BC breweries; they are also cooperative trade organization.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Supports for craft breweries
BC Craft Farmer's Co-op (BCFC)	Cannabis cooperative open to service providers and suppliers within the BC craft cannabis industry. Part of the BC Co-op Association, BCFC has over 200 members.	<ul style="list-style-type: none"> • Advocates to all levels of government to accelerate the participation of BC's small-to-medium sized producers in the legal marketplace.
BC Emergency Health Services	Provides pre-hospital emergency services and inter-facility patient transfers throughout the province and oversees the BC Ambulance Service and BC Patient Transfer Services.	<ul style="list-style-type: none"> • Coroners service.
BC First Nations Gaming Revenue Sharing Limited Partnership	The Limited Partnership is responsible for receiving, managing, distributing and reporting on the funds that flow to BC First Nations through the Long-Term Revenue Sharing Agreement, which provides a 7% entitlement of net gaming revenues to the Limited Partnership.	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform.

Name	Description	Key Issues / Interests
BC First Nations Justice Council (BCFNJC) (Formerly BC Aboriginal Justice Council)	A multi-agency leadership initiative that convenes regularly and prioritizes actions and utilizes the Native Court worker and Counselling Association of BC's policies and platform as its foundation for action.	<ul style="list-style-type: none"> • Correctional services. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
BC Forensic Psychiatric Services Commission	Plans, coordinates and evaluates specialized health services with the BC health authorities to provide equitable and cost-effective health care for people throughout the province.	<ul style="list-style-type: none"> • Correctional health services.
BC Funeral Association	A non-profit organization representing members on a range of issues relating to the provision of funeral services.	<ul style="list-style-type: none"> • Consumer protection, funeral services, cemetery operators. • Coroners service.
BC Indigenous Justice Association	The Indigenous Justice Association (IJA) was created in 2019 to share and promote the critical work of long-established Indigenous community justice programs throughout BC.	<ul style="list-style-type: none"> • Correctional services.

Name	Description	Key Issues / Interests
BC Injury Research & Prevention Unit	The BC Injury Research and Prevention Unit (BCIRPU) is located at BC Children’s Hospital and is a core research program within the Evidence to Innovation theme at the BC Children’s Hospital Research Institute. With the goal to reduce the social and economic burden of injury in BC, the Unit was established as a strategic entity, supporting the development of policies and programs through research, surveillance, and the translation of evidence and knowledge to researchers, policy makers, practitioners, and the public.	<ul style="list-style-type: none"> • FireSafe Smoke Alarm program • Community Risk Reduction Dashboard • Coroners service.
BC Office of the Human Rights Commissioner		<ul style="list-style-type: none"> • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
BC Professional Firefighters Association (BCPFFA)	BCPFFA is a service provider for its affiliates offering training and education in areas of provincial legislation, occupational health and safety, WorkSafe advocacy, financial assistance, bargaining, labour law, and advocacy for best practices in both public safety and fire fighter safety.	<ul style="list-style-type: none"> • Fire Safety Act requirements. • Fire safety • Firefighter safety and training • Fire data
BC Restaurant and Food Services Association (BCRFA)	A relevant business success resource for BC restaurants, representing the interests of BC Restaurants at all levels of government to promote industry growth.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Supports for hospitality sector, restaurants and food primary licensees.

Name	Description	Key Issues / Interests
BC Search and Rescue Association	Advocates on behalf of ground search and rescue groups, trained professional volunteers and resources volunteers to search and rescue lost or injured persons throughout the province.	<ul style="list-style-type: none"> • Coroners service.
BC Society of Transition Houses (BCSTH)	Non-profit provincial umbrella organization that supports services and strategies to respond to, prevent, and end violence against women, children, and youth. BCSTH provides training, research, resources and advocacy to Transition Houses, Second and Third Stage Houses and Safe Homes as well as to PEACE and Violence is Preventable programs.	<ul style="list-style-type: none"> • Violence against women issues. • Issues related to children who have witnessed abuse, threats or violence in the home. • Transition Houses/Safe Houses for women fleeing violence.
BC Thoroughbred Owners & Breeders Association	Representing owners and breeders of thoroughbred racehorses in BC.	<ul style="list-style-type: none"> • Funding for the horse racing industry • Gaming Control Act and Regulation reform
BC Training Officers Association	To promote uniform training procedures for the Fire Service in B.C. To study areas of mutual concern to the Fire Service, particularly in the field of training. To promote the exchange of ideas and techniques. To research, develop and recommend new methods.	<ul style="list-style-type: none"> • Fire Safety Act requirements. • BC Structure Firefighter Minimum Training Standards • Collaboration on firefighter carcinogen exposure reduction
BC Trucking Association	A Province-wide, non-partisan, non-profit motor carrier association formed solely to advance the interests of BC motor carriers.	<ul style="list-style-type: none"> • Road safety, driver licensing for commercial truck drivers (and prospective drivers).

Name	Description	Key Issues / Interests
BC Wildfire Service (BCWS)	The BC Wildfire Service employs skilled personnel to detect, monitor and respond to an average of 1,600 wildfires per year.	<ul style="list-style-type: none"> Office of the Fire Commissioner (OFC) operations staff deploy and support BCWS in wildland urban interface events. Minister’s Powers in Emergency Disaster Management Act allows for the OFC to support fire suppression resource requirements following a declaration of Provincial State or Emergency - (Provincial Fire Service).
BC’s Office of the Human Rights Commissioner	Address the root causes of inequality, discrimination and injustice in B.C. by shifting laws, policies, practices and cultures.	<ul style="list-style-type: none"> Rights in focus: Lived realities in B.C. (bchumanrights.ca) – August 14, 2024. This report references human rights for individuals in custody and is intended to be updated on an ongoing basis.
Beer Canada	A trade association that advocates on behalf of its members and works with governments, stakeholders and the public to improve the marketplace for beer.	<ul style="list-style-type: none"> Business Technical Advisory Panel Member Social responsibility pricing
Better Business Bureau, Lower Mainland and Vancouver Island	Helps consumers find businesses, brands, and charities they can trust, by providing consumer information, rating organizations, and responding to consumer complaints.	<ul style="list-style-type: none"> Consumer protection.
British Columbia Gaming Industry Association (BCGIA)	Provides strategic leadership for the BC gaming industry on behalf of private sector gaming operators while enhancing relationships, education and advocacy through involvement with community stakeholders, government, media and the public.	<ul style="list-style-type: none"> Gaming Control Act and Regulation reform Implementation of Cullen Commission recommendations Unregulated online gambling Gaming revenue trends

Name	Description	Key Issues / Interests
British Columbia Lottery Corporation (BCLC)	Crown corporation responsible for the conduct and management of commercial gambling on behalf of the Government of BC, including lottery, casino, bingo and online gambling.	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform • Implementation of Cullen Commission recommendations • Unregulated online gambling • Gaming revenue trends
Building Owners and Managers Association of BC (BOMA)	BOMA Canada’s mission is to represent the Canadian commercial real estate industry on matters of national concern, to develop a strong communications network between its local associations, BOMA International and other real estate associations and promote professionalism of its members through education programs and public relations activity.	<ul style="list-style-type: none"> • Fire Safety Act requirements, particularly how it impacts building owners. • Fire safety assessments
Business Technical Advisory Panel (BTAP)	Formed by BC Gov’t, the BTAP for liquor reform was created to provide suggestions and recommendations to improve efficiency and outcomes in government and business interactions with respect to liquor regulation and policy. The Panel is composed of representatives from the hospitality and liquor industries.	<ul style="list-style-type: none"> • Improving government and business interactions in B.C. liquor law and policy - Province of British Columbia
Canada Border Services Agency Pacific Region Enforcement	The Canada Border Services Agency (CBSA) facilitates the flow of legitimate travellers and trade. The agency also enforces more than 100 acts and regulations that keep Canada and Canadians safe.	<ul style="list-style-type: none"> • Correctional services – movement of individuals in custody with immigration holds following the conclusion of their judicial matters.

Name	Description	Key Issues / Interests
Canadian Centre for Justice and Community Safety Statistics (CCJCSS), Statistic Canada	The Canadian Centre for Justice Statistics (CCJS) program at Statistics Canada is mandated to provide accurate, timely and relevant information to the justice community and the public on the nature and extent of crime and on the administration of criminal and civil justice in Canada.	<ul style="list-style-type: none"> • Correctional services.
Canadian Consumer Finance Association	Mandate is to work with federal and provincial governments to achieve a regulatory framework that protects consumers while allowing for a viable industry to continue. There are an estimated 1,400 retail outlets across Canada, of which 870 are CCFA member operated.	<ul style="list-style-type: none"> • Consumer protection.
Canadian Council of Fire Marshalls (CCFMFC)	CCFMFC is a recognized and trusted source of national leadership and knowledge for fire safety issues and in support of emergency resilience across Canada.	<ul style="list-style-type: none"> • Community of practice • Fire prevention • Firefighter safety and training • National fire and emergency reporting frameworks • Guidance to fire service providers • Support for fire and emergency related research and development • Codes and Standards
Canadian Federation of the Blind	Is a non -profit, grassroots organization that strives to improve the lives of the blind and their families. Made up of blind people speaking for themselves.	<ul style="list-style-type: none"> • Guide dog and service dog certification.

Name	Description	Key Issues / Interests
Canadian Gaming Association (CGA) & representatives of online gambling platform operations	National gambling trade association representing operators and suppliers in Canada's gambling industry.	<ul style="list-style-type: none"> • Unregulated online gambling – advocate for open-market model in BC.
Canadian Institute for Substance Use Research (CISUR)	CISUR is a network of individuals and partner organizations dedicated to conducting ethical, collaborative, high-quality studies of risk and protective factors for substance use and addictions and evaluating interventions relevant to substance use and related health determinants.	<ul style="list-style-type: none"> • Minimum liquor retail pricing.
Canadian Red Cross - Immigration Detention Monitoring	Dedicated to improving the situation of the most vulnerable throughout the world.	<ul style="list-style-type: none"> • Correctional services - periodic centre inspections for those on dual status (individuals serving a custodial sentence in advance of a subsequent immigration hold).
Canadian Thoroughbred Horse Society BC	Representing breeders of thoroughbred racehorses in BC.	<ul style="list-style-type: none"> • Funding for the horse racing industry • Gaming Control Act and Regulation reform
Cannabis Cultivators of BC	Non-profit association that brings together cannabis cultivators across British Columbia who are committed to promoting a growing cannabis sector and contributing to our communities.	<ul style="list-style-type: none"> • Advocates for interests of BC cannabis producers.

Name	Description	Key Issues / Interests
College of Physicians and Surgeons of BC	The College serves the public by regulating physicians and surgeons in the province. The College's key interest is in the protection and safety of patients.	<ul style="list-style-type: none"> • Coroners service.
Combined Forces Special Enforcement Unit BC / Organized Crime Agency of BC	Lead agency in provincial organized crime and gang suppression, prevention and enforcement efforts including a number of fenced government priorities.	<ul style="list-style-type: none"> • Operational priorities and strategy.
Combined Forces Special Enforcement Unit of BC (Joint Illegal Gaming Investigative Team)	Responsible for providing an investigative response to illegal gambling and higher-level criminal/org crime threats that exist in the legal gambling sector	<ul style="list-style-type: none"> • Financial crime and federal coordination • Anti-money laundering • Implementation of Cullen Commission recommendations • Intelligence and information sharing
Compass Foods	A family business that is locally owned and operated by vegans.	<ul style="list-style-type: none"> • Food services contractor for all ten B.C. provincial correctional centres.
Connective (formerly part of John Howard Society)	Connective is a community-based social services nonprofit operating in BC and the Yukon to create safe, healthy, and inclusive communities for all	<ul style="list-style-type: none"> • Correctional services.
Consumer Protection BC	An independent, non-profit regulatory agency delegated by the provincial government to administer and enforce consumer protection laws in BC. Within the province they protect consumers by delivering services as well as promoting fairness and understanding in the marketplace.	<ul style="list-style-type: none"> • Ministry's delegated authority to administer and enforce consumer protection laws. Currently partnering with PSSG to develop prospective amendments to modernize BC's consumer protection laws. • Contributing to MUNI's development of a potential licensing framework for immigration consultants. • Coroners service (Cremation, Interment and Funeral Services Act).

Name	Description	Key Issues / Interests
Correctional Services Canada Research Unit	The Research Branch of the Correctional Service Canada (CSC) is a centralized research unit operating within the Policy Sector at National Headquarters.	<ul style="list-style-type: none"> • Correctional services.
Correctional Services of Canada Pacific Region	Responsible for the management of Correctional Services of Canada operations within the Pacific Region, implementation of correctional policy, and leadership in providing advice on criminal justice system matters.	<ul style="list-style-type: none"> • Correctional services.
Counter Illicit Finance Alliance of BC (CIFA-BC)	CIFA-BC's mandate is to collaborate with the public sector and private industry to lawfully share information in the interest of protecting the economic integrity of British Columbia through the prevention, detection, and disruption of illicit financial activity.	<ul style="list-style-type: none"> • Financial crime and federal coordination • Anti-money laundering • Implementation of Cullen Commission recommendations
Craft Cannabis Association of BC (CCABC)	Non-profit association that advocates for interests of small-scale cannabis producers.	<ul style="list-style-type: none"> • Seeks and creates resources to support and promote the craft cannabis industry in BC
Craft Distiller's Guild of BC	Represents the craft distilleries in BC.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Fairness in sales agreements with the Liquor Distribution Branch.

Name	Description	Key Issues / Interests
Defense Research and Development Canada (DRDC)	DRDC is Canada's science, technology and innovation leader, trusted advisor, collaborative partner, and knowledge integrator for defence and security. They develop and deliver new technical solutions and advice to the Department of National Defence, the Canadian Armed Forces, other federal departments, and the safety and security community.	<ul style="list-style-type: none"> • Community Fire Risk Reduction Dashboard. • Addressing fires and fire-related injuries.
Department of Justice Canada, Aboriginal Justice Directorate	The Indigenous Justice Program supports Indigenous community-based justice programs that offer alternatives to traditional justice processes.	<ul style="list-style-type: none"> • Community Corrections Division - correctional services.
Department of Justice Canada, Drug Treatment Court Funding Program	The Department of Justice works to ensure that Canada's justice system is as fair, accessible and efficient as possible.	<ul style="list-style-type: none"> • Correctional services.
Disability Alliance BC	Supports people, regardless of their disability, to live with dignity, independence and as equal and full participants in society.	<ul style="list-style-type: none"> • Guide dog and service dog certification. • Supporting victims/survivors with disabilities.
E-Comm 911	E-Comm is the primary 911 call answering service for the majority of calls in the province and provides dispatching services for all municipalities and agencies on a contractual basis.	<ul style="list-style-type: none"> • Key partner for 911 including Next Generation 911 and 911 future framework.

Name	Description	Key Issues / Interests
Elizabeth Fry Society	The Elizabeth Fry Society of Greater Vancouver is a charitable organization that supports some of society's most vulnerable populations – women, girls and children at risk, involved in or affected by the justice system.	<ul style="list-style-type: none"> • Correctional services.
Ending Violence Association of BC	Provincial association that provides consultation, resource development, training, research and education to support the work of community-based victim service programs and violence against women programs (i.e., stopping the violence counselling programs, outreach services, multicultural outreach services, sexual assault services, and sexual assault centres in BC).	<ul style="list-style-type: none"> • Community based victim service programs. • Violence against women issues. • Correctional services.
Equifax	One of two primary credit reporting agencies in Canada. Regulated under the Business Practices and Consumer Protection Act.	<ul style="list-style-type: none"> • Consumer protection, consumer credit and debt. Will be impacted if proposed amendments to BC's consumer protection laws are accepted by government and pass in the legislature.
Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)	FINTRAC is Canada's financial intelligence unit. Its mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities.	<ul style="list-style-type: none"> • Anti-money Laundering • Implementation of Cullen Commission recommendations • Gaming Control Act and Regulation reform

Name	Description	Key Issues / Interests
Fire Chiefs' Association of BC (FCABC)	The FCABC is a non-profit organization that serves as an essential source of information, education, and community for its members. It proactively engages with the government and standards organizations on issues relating to fire services, resulting in effective and supported fire departments across the province.	<ul style="list-style-type: none"> • Fire Safety Act requirements. • Fire safety • Firefighter safety and training • Fire data • Disbursement of grant funding on various initiatives i.e., BC Live Fire Training Props
Fire Prevention Officers Association of BC (FPOABC)	FPOABC is dedicated to the prevention of fire and the reduction of its impact on the population and economy and the communities they represent.	<ul style="list-style-type: none"> • Fire Safety Act requirements. • Fire safety • Firefighter safety and training • Fire data • Fire prevention
First Nations Emergency Services Society (FNESS)	FNESS is a charitable non-profit organization in BC. With the support of the First Nation Leadership Council, FNESS is the organization communities reach out to for support and delivery of essential emergency and forest fuel management programs and services.	<ul style="list-style-type: none"> • BC Structure Firefighter Minimum Training Standards support • Fire investigations • Fire inspections • Fire reporting
First Nations Gaming Commission (FNGC)	FNGC is overseen by the First Nations Leadership Council. It is responsible for leading gaming revenue sharing discussions with government and increasing First Nations' participation in the gaming industry.	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform • Unregulated online gambling • Gaming revenue sharing with First Nations

Name	Description	Key Issues / Interests
First Nations Health Authority (FNHA)	The FNHA is working to transform and reform the way health care is delivered to First Nations peoples in BC. Shared Memorandum of Understanding and information sharing agreement; health and wellness partner to more than 200 First Nations communities across the province	<ul style="list-style-type: none"> • Health services. • Coroners service.
First Nations Health Council	Provincial-level political and advocacy organization that is representative of and accountable to BC First Nations.	<ul style="list-style-type: none"> • Coroners service.
BC First Nations Justice Council	The Council represents First Nations in BC on justice-related issues to bring about transformative change to the legal system.	<ul style="list-style-type: none"> • Coroners service.
First Nations Leadership Council	A provincial territorial organization representing and advocating for the 203 First Nations in British Columbia.	<p>Intergovernmental Communications</p> <ul style="list-style-type: none"> • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform). • Key contributor for 911 future framework.

Name	Description	Key Issues / Interests
First Nations Summit	The First Nations Summit is comprised of a majority of First Nations and Tribal Councils in British Columbia and provides a forum for First Nations in BC to address issues related to Treaty negotiations as well as other issues of common concern.	<ul style="list-style-type: none"> • Correctional services.
Gateway Casinos and Entertainment Ltd.	Gaming services provider (casinos, TBC Teletheatre, community gaming centres (CGCs), Bingo - Gateway, Lake City and Playtime gaming sites)	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform • Implementation of Cullen Commission recommendations • Unregulated online gambling
Great Canadian Entertainment	Gaming services provider (casinos, horseracing - Racetracks/TBC Teletheatres, CGCs, Bingo - Great Canadian, Elements, Bingo Esquimalt, Chances)	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform • Implementation of Cullen Commission recommendations • Unregulated online gambling • Horse racing industry
Harness Racing BC	Represents the standardbred horsepersons in British Columbia	<ul style="list-style-type: none"> • Funding for horse racing industry • Gaming Control Act and Regulation reform
Health Canada	Health Canada is the Federal department responsible for helping Canadians maintain and improve their health, while respecting individual choices and circumstances.	<ul style="list-style-type: none"> • Firefighter carcinogen exposure reduction

Name	Description	Key Issues / Interests
Home Inspectors Association of BC	Serves the public and its members with support, services and resources essential to the practice of professional home inspections.	<ul style="list-style-type: none"> • Consumer protection, home inspector regulation. • The Superintendent of Professional Governance has been assessing the home inspection industry for the last couple of years to determine viability for professional governance. If professional governance does not occur, HIABC will likely advocate for regulatory changes under existing consumer protection legislation.
Horse Racing Industry Management Committee	Responsible for overall management and oversight of the horse racing industry, including fiscal and operational matters. It is comprised of representatives for thoroughbred and standardbred racing as well as the track operator.	<ul style="list-style-type: none"> • Funding for horse racing industry • Horseman’s Purse payments • Gaming Control Act and Regulation reform
Horsemen’s Benevolent and Protective Association of British Columbia	Representing the owners and trainers of thoroughbred racehorses in BC.	<ul style="list-style-type: none"> • Funding for horse racing industry • Gaming Control Act and Regulation reform
Host Local Governments (HLGs)	HLGs typically receive 10% of net casino gaming revenue from casinos and community gaming centres within their jurisdiction under Host Financial Assistance Agreements (HFAAs). (Responsibility for administering HFAAs will shift to the Crown Agencies Secretariat in the Ministry of Finance once the new Gaming Control Act comes into force).	<ul style="list-style-type: none"> • Prevention of problem gambling • Anti-money laundering • Gaming revenue • Municipalities that do not have an existing gaming facility are interested in equitable distribution of gaming revenue, including from nearby gaming facilities and online gambling

Name	Description	Key Issues / Interests
Import Vintners and Spirits Association	A registered not-for-profit society that was formed in 1975 by a group of beverage alcohol import agents who felt a united voice should be heard when communicating with the BC Liquor Distribution Branch, AGLC, Provincial Governments and Industry partners.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Easier business relations with the Liquor Distribution Branch.
Independent Investigations Office	Conducts criminal investigations regarding police-related incidents involving death or serious harm.	<ul style="list-style-type: none"> • Police services accountability. • Coroners service. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform)
Indigenous Justice Advocacy Committee (The Canadian Bar Association - BC Branch)	Dedicated to protecting the rule of law, the independence of the judiciary and the Bar, and improving laws, the justice system and access to justice.	<ul style="list-style-type: none"> • Correctional services.
Infrastructure BC (formerly Partnerships BC)	Serves British Columbians through the planning, delivery and oversight of major infrastructure projects. Wholly owned by the province and reports to the Minister of Finance.	<ul style="list-style-type: none"> • Capital projects including the final phase of the Nanaimo Correctional Centre Replacement Project to be complete winter 2024/25.
Insurance Corporation of BC (ICBC)	ICBC provides universal auto insurance to BC motorists. ICBC is responsible for driver licensing and vehicle registration and licensing.	<ul style="list-style-type: none"> • Maintaining the Enhanced Drivers License program during winddown, until it becomes fully decommissioned in late 2025.

Name	Description	Key Issues / Interests
John Howard Society of British Columbia (JHSBC)	The JHSBC supports regional John Howard Societies across the province, all of whom have a strong history delivering programs and supporting individuals and families facing barriers. Experienced in supporting people with complex needs facing multiple barriers by providing prevention and intervention services, advocacy, and public education.	<ul style="list-style-type: none"> • Correctional services. John Howard Society supports/facilitates the Guthrie Therapeutic Community at Nanaimo Correctional Centre in partnership with BC Corrections.
Justice and Public Safety Council	The Council was established in April 2013 under the Justice Reform and Transparency Act. The council, which is appointed by the Attorney General, is responsible for: setting the strategic direction and vision for the provincial justice system through an annual Justice and Public Safety Plan; engaging in dialogue with justice and public safety participants and stakeholders; and guiding the way to open, transparent and accountable leadership.	<ul style="list-style-type: none"> • Justice and public safety plan • Justice summits.
Justice Institute of BC Corrections and Court Services Division	The Corrections & Court Services Division trains court administrators and community justice professionals, such as probation officers, corrections professionals and sheriffs.	<ul style="list-style-type: none"> • Correctional staff training.

Name	Description	Key Issues / Interests
Kootenay Cannabis Council (KCC)	A cannabis council made up of industry representatives, local government, economic development representatives, and others in the sector. Formed in 2020 to support the development of the cannabis sector within the Kootenay region.	<ul style="list-style-type: none"> Identifies opportunities for policy changes and industry updates that would expand opportunities within the Kootenays.
Legal Aid BC Service Society	Legal Aid BC (formerly Legal Services Society) provides legal information, advice and representation services to people with low incomes.	<ul style="list-style-type: none"> Correctional services.
Licensed Retail Cannabis Council of BC (LRCCBC)¶	Non-profit association of cannabis business owners that advocate for the private cannabis retail industry in BC and across Canada.	<ul style="list-style-type: none"> Works to ensure all relevant legislation and regulations create a favourable environment for cannabis retailers.
Local Government Management Association (LGMA)	LGMA is dedicated to supporting excellence in local government by providing high quality, practical training and resources; encouraging the development of professional networking and connections; and facilitating the exchange of ideas and best practices among members.	<ul style="list-style-type: none"> Fire Safety Act requirements. BC Structure Firefighter Minimum Training Standards impacts
Maa'nulth First Nations		<ul style="list-style-type: none"> First Nations policing. Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).

Name	Description	Key Issues / Interests
Metis Nation British Columbia Justice Council	The Metis Nation British Columbia Justice Council is involved in strategic guidance for developing and maintaining the Indigenous Justice Strategy for the Province of BC.	<ul style="list-style-type: none"> • Correctional services. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
Métis Nation of BC (MNBC)	MNBC represents 38 Métis Chartered Communities in BC and is mandated to develop and enhance opportunities for Métis communities by implementing culturally relevant social and economic programs and services. MNBC has implemented a number of governance bodies such as the Senate, Métis Nation Governing Assembly, Youth representation, Women's representation, an Electoral Act, and an objectively verifiable citizenship process.	<ul style="list-style-type: none"> • BC Path Forward to end violence against Indigenous women, girls and 2SLGBTQQIA+ people.
Minister's Advisory Council on Indigenous Women (MACIW)	MACIW was established in 2011 following the Collaboration to End Violence: National Aboriginal Women's Forum, which was co-hosted by the Province of B.C. and the Native Women's Association of Canada. MACIW is comprised of up to 10 members and provides advice to government on how to improve the quality of life for Indigenous women in British Columbia.	<ul style="list-style-type: none"> • BC Path Forward to end violence against Indigenous women, girls and 2SLGBTQQIA+ people. • MACIW is supported by and reports to government through the Minister of Indigenous Relations and Reconciliation.

Name	Description	Key Issues / Interests
MMIWG Coalition	The Coalition honours families and advocates who called for and participated in the National Inquiry and provided recommendations themselves to the government in the pre-inquiry phase. Following the release of the Final Report, the Coalition has made several calls to government to implement all 231 Calls for Justice. The Coalition membership includes representation from families, survivors, Indigenous organizations, front-line service organizations, feminist and women’s organizations, legal advocacy sector, faith-based groups, and provincial organizations.	<ul style="list-style-type: none"> • BC Path Forward to end violence against Indigenous women, girls and 2SLGBTQQIA+ people. • The Coalition initially formed in response to the Missing Women Commission of Inquiry in British Columbia overseen by Commissioner Wally Oppal. However, have raised that they were shut out of that inquiry.
Mothers Against Drunk Driving (MADD) Canada	Advocacy group focused on curbing drug and alcohol affected driving.	<ul style="list-style-type: none"> • Provincial regulations and education/awareness to support reduction in drug/alcohol impaired injuries and fatalities.
National Fire Protection Association (NPFA)	The NPFA has been helping to solve some of the planet’s toughest safety problems for more than 125 years. To remain relevant, they continually evolved their scope of expertise—from fire prevention, wildfire preparedness, and electrical safety to hazardous materials, community risk reduction, and public safety.	<ul style="list-style-type: none"> • Training standards • Lithium-ion battery safety and online training program • Fire Prevention Week • Public Fire Safety Education

Name	Description	Key Issues / Interests
National Research Council (NRC)	The NRC partners with Canadian industry to take research impacts from the lab to the marketplace, where people can experience the benefits. Their mission is to have an impact by advancing knowledge, applying leading-edge technologies, and working with other innovators to find creative, relevant and sustainable solutions to Canada's current and future economic, social and environmental challenges.	<ul style="list-style-type: none"> • Fire data sharing. • Data standards
Native Courtworker and Counselling Association of BC	Aims to provide a collective approach to address key issues and concerns that Aboriginal people face with the justice system in BC.	<ul style="list-style-type: none"> • Correctional services.
New Car Dealers Association of BC	Represents more than 390 new car dealers to the public, media, and government, and deals with legal, environmental, and consumer issues relating primarily to new vehicle sales.	<ul style="list-style-type: none"> • Consumer protection, motor dealers. • Currently providing industry inputs regarding potential future amendments to the Motor Dealer Act, which are under consideration by PSSG policy staff.
New Wave Wine Society	A group of small fruit wineries that have come together in an effort to support innovation and quality in the wine sector. Also represents cideries and meaderies.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member

Name	Description	Key Issues / Interests
Nicola Valley Community Justice Services Society (NVCJSS)	NVCJSS provides a wide range of justice and advocacy services (family and criminal law, dispute resolution, anti-poverty advocacy) to the people of the Nicola Valley, with an emphasis on addressing the individual needs of Indigenous clients and those living in poverty.	<ul style="list-style-type: none"> • Correctional services.
Nisga'a Lisims Government		<ul style="list-style-type: none"> • First Nations policing. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
Office of the Police Complaint Commissioner	Provides independent oversight of the police complaint process (Part 11 of the Police Act) for complaints against independent municipal police in the province.	<ul style="list-style-type: none"> • Police services accountability. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).
Osoyoos Indian Band	Osoyoos Indian Band is one of five Okanagan Nation Alliance First Nations negotiating outside of the B.C. treaty process, building relationships and addressing concerns associated with land and resource use on asserted traditional territories.	<ul style="list-style-type: none"> • Okanagan Correctional Centre built on OIB land under 60-80 yr land lease agreement.
Other First Nations (not specifically listed)		<ul style="list-style-type: none"> • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform).

Name	Description	Key Issues / Interests
Parq Vancouver	Gaming services provider for Parq Vancouver casino	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform¶ • Implementation of Cullen Commission recommendations¶ • Unregulated online gambling
Petroglyph Development Group Ltd	Wholly owned economic development group of the Snuneymuxw First Nation. Petroglyph Development recently purchased Casino Nanaimo and Elements Casino Victoria from Great Canadian Entertainment.	<ul style="list-style-type: none"> • Gaming Control Act and Regulation reform • Implementation of Cullen Commission recommendations • Unregulated online gambling
Police Victim Services of BC	Non-profit provincial association dedicated to serving the needs of police-based victim services programs.	<ul style="list-style-type: none"> • Police-based victim service programs.
Prisoners Legal Services	Division of West Coast Prison Justice Society – advocacy for individuals in custody.	<ul style="list-style-type: none"> • Correctional services.
Providence Health Care Mental Health Care Program	The Mental Health Program consists of health care professionals from a variety of disciplines who provide care for patients and families.	<ul style="list-style-type: none"> • Mental health care in the City of Vancouver / correctional services.
Provincial Association of Community and Residential Agencies	The Provincial Association of Residential & Community Agencies is an organization that promotes, supports, and enhances the quality of community-based justice services and programs in BC.	<ul style="list-style-type: none"> • Correctional services.

Name	Description	Key Issues / Interests
Provincial Health Services Authority Correctional Health Services (PHSA-CHS)	PHSA-CHS provides health services within all 10 B.C. provincial correctional centres. PHSA is mandated to improve the quality and continuity of care for clients across the province during their time in correctional facilities and as they reintegrate into the community.	<ul style="list-style-type: none"> • Correctional health services. • Coroners service.
Provincial Laboratory Medicine Services	An interrelated laboratory system that supports equity and access and ensures patient safety through well-coordinated laboratory services.	<ul style="list-style-type: none"> • Coroners Service.
Provincial/Local Government Contract Management Committee	Established by the Provincial Government and UBCM to provide a forum for consultation, analysis and communication between Local Government and the Provincial Government regarding the management of the Agreement under which the RCMP provide local police services in BC.	<ul style="list-style-type: none"> • Police services agreement.
Public Prosecution Services of Canada BC Regional Office	Federal Crown prosecution service.	<ul style="list-style-type: none"> • Correctional services.
Public Safety Canada Research Unit	Federal policy leadership, coordination and program support related to crime prevention, law enforcement, and the rehabilitation of offenders.	<ul style="list-style-type: none"> • Correctional services.

Name	Description	Key Issues / Interests
RCMP "E" Division	<p>"E" Division is the BC division of the RCMP; the largest police body operation in the province, providing federal, provincial, and municipal policing services. This includes specific program areas within RCMP "E" Division:</p> <ul style="list-style-type: none"> • Human Trafficking • Crime Prevention and Program Support Services • Crime Prevention and Restorative Justice • Missing Persons Centre 	<ul style="list-style-type: none"> • Crime prevention. • Restorative justice. • Services and supports for victims of trafficking. • Police-based victim service programs and services. • MMIWG Red Dress Alert Pilot • Coroners service. • Office of the Fire Commissioner Accelerant Detection K-9 Team • Fire Investigation support. • Evidence preservation of fire scenes • FIRES reporting to support local RCMP detachments • Policing.
RCMP and Municipal Police Organizations in BC	Responsible for providing a criminal investigative response to criminal incidents that occur in the casinos and online.	<ul style="list-style-type: none"> • Incidents of criminal activity in gaming facilities and online • Anti-money laundering • Incidents of illegal gambling • Intelligence and information sharing
Recreation Vehicle Dealers Association of BC	A non-profit industry association that represents the interests of those companies involved in the recreation vehicle industry.	<ul style="list-style-type: none"> • Consumer protection, motor dealers. • Currently providing industry inputs regarding potential future amendments to the Motor Dealer Act, which are under consideration by PSSG policy staff.
Representative for Children and Youth	Has a shared mandate for investigating the deaths of children receiving services from the Ministry of Children and Families.	<ul style="list-style-type: none"> • Coroners service.
Restaurants Canada	A relevant business success resource for BC restaurants, representing the interests of BC Restaurants at all levels of government to promote industry growth.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member

Name	Description	Key Issues / Interests
Restorative Justice Association of BC	Non-profit association dedicated to strengthening and advocating for the expansion of restorative justice in B.C	<ul style="list-style-type: none"> Restorative justice.
Retail Council of Canada	A non-profit, industry-funded association representing over 45,000 members of all retail formats across Canada. They advocate for retailing in Canada and work with all levels of government and other stakeholders to support employment growth and career opportunities in retail, to promote and sustain retail investments in communities, and to enhance consumer choice and industry competitiveness.	<ul style="list-style-type: none"> Consumer protection. Business-to-consumer transactions.
Rising Tide Consultants	Full-service licensing consulting company providing licensing advice to liquor and cannabis industries operating in all Canadian provinces and territories.	<ul style="list-style-type: none"> Changes to Liquor and Cannabis licensing processes and policy
Royal Canadian Legion	The Legions in BC Legion Branches across the country organize and conduct annual community Remembrance services and recognition events and are a key licence holder of Liquor primary club licences. Their administration differs from other licensee groups, so the legion is an important resource in information sharing for this group of licensees.	<ul style="list-style-type: none"> Changes to Liquor Primary Club licences.

Name	Description	Key Issues / Interests
Rural Liquor Store Advisory Society	Represents the interests of Rural Agency Stores in BC.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Rural cannabis sales • Changes to Rural Licensee Retail Stores
Spirits Canada	Represents the interests of Canadian spirits.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member
Statistics Canada	Statistics Canada is the national statistical office. The agency ensures Canadians have the key information on Canada's economy, society and environment that they require to function effectively as citizens and decision makers.	<ul style="list-style-type: none"> • Fire data sharing. • Community Fire Risk Reduction Dashboard • National Fire Information Database
Stroh Health Care Consulting Corporation	Private agency specializes in assessment and treatment of addiction and family violence.	<ul style="list-style-type: none"> • Correctional health services.
Sts'ailes First Nation Chief – new chief TBD	Provides services and programs that support, enhance and enrich the lives of all Sts'ailes community members.	<ul style="list-style-type: none"> • Correctional services. Support with staff education and Indigenous/cultural learning workshops.
StubHub	Ticket reselling platform	<ul style="list-style-type: none"> • Consumer protection, ticket sales.
TELUS	TELUS provides provincial infrastructure for the 911 network and is responsible for signing Local Government Authority Agreements (LGAs) with local authorities to enable NG 911.	<p>Key partner for 911 work especially NG 911.</p> <ul style="list-style-type: none"> • Key partner for 911, particularly Next Generation 911.

Name	Description	Key Issues / Interests
Ticketmaster	Event ticket selling platform and organization.	<ul style="list-style-type: none"> • Consumer protection, ticket sales.
Tillicum Lelum Aboriginal Friendship Centre	Promotes justice, fairness and equality for Aboriginal people through a holistic approach to programming and services.	<ul style="list-style-type: none"> • Correctional services.
Tla'amin Nation		<ul style="list-style-type: none"> • First Nations policing. Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform)
TransUnion	One of two primary credit reporting agencies in Canada. Regulated under the Business Practices and Consumer Protection Act.	<ul style="list-style-type: none"> • Consumer protection, consumer credit and debt. Will be impacted if proposed amendments to BC's consumer protection laws are accepted by government and pass in the legislature.
Tsawwassen First Nation		<ul style="list-style-type: none"> • First Nations policing. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform)
UL Solutions	UL Solutions in Canada is an independent product safety testing, certification and inspection organization.	<ul style="list-style-type: none"> • Lithium-Ion Battery standards/testing
Union of BC Indian Chiefs (UBCIC)¶	UBCIC is a non-profit political organization representing numerous First Nations across BC in order to protect and further Aboriginal title and rights. UBCIC representatives on the Road to Reconciliation Report Working Group	<ul style="list-style-type: none"> • Correctional services. • Driver licencing access for BC First Nations. • First Nations policing. • Policing and Public Safety Modernization initiative (Special Committee recommendations on Police Act reform)

Name	Description	Key Issues / Interests
Union of BC Municipalities	<p>UBCM is the voice for local government in British Columbia. It initiates, monitors, interprets, and reacts to changes that could impact local governments and the communities they serve, with the goal of improving local government and benefiting B.C.'s communities.</p>	<p>Cabinet Confidences; Legal Information</p> <ul style="list-style-type: none"> • Policing and Public Safety Modernization (through the Local Government Police Modernization Roundtable, co-chaired by UBCM and PSSG) • Key partner on 911 work, including Next Generation 911 and 911 future framework. • Fire Safety Act requirements. • BC Firefighter Minimum Training Standards • Community Emergency Preparedness Fund • Fire Underwriters Survey
UBCM Liquor Policy Working Group	<p>On January 31, 2014, the Province released the Liquor Policy Review Final Report. As a follow-up to the report, UBCM and the Province established the Working Group on Liquor Policy, a mechanism for local governments to share their experience and knowledge and bring forward matters of interest or concerns respecting liquor policy. The Working Group also acts as a forum for the Province to provide timely updates and information regarding liquor policy issues impacting local governments, and to collaborate with UBCM and local governments on the analysis and development of liquor policy.</p>	<ul style="list-style-type: none"> • Improved provincial/municipal collaboration • Ensuring local government perspective is represented in policy decisions

Name	Description	Key Issues / Interests
<p>Vancouver Coastal Health Authority</p> <p>Mental Health and Substance Use Services</p>	<p>Provide mental health and substance use support, services and resources to people across the Vancouver Coastal Health Region.</p>	<ul style="list-style-type: none"> • Correctional health services.
<p>Vancouver Island Health Authority</p> <p>Mental Health & Addictions</p>	<p>Provides a range of services for individuals dealing with moderate to severe mental health and substance use concerns.</p>	<ul style="list-style-type: none"> • Correctional health services.
<p>Vehicle Sales Authority of BC</p>	<p>An independent, non-profit regulatory agency delegated by the provincial government to administer and enforce the Motor Dealer Act, parts of the Business Practices and Consumer Protection Act and associated regulations.</p>	<ul style="list-style-type: none"> • Ministry's delegated authority to administer and enforce motor dealer and consumer protection laws. • Currently partnering with PSSG to develop prospective amendments to modernize the Motor Dealer Act.
<p>Vital Statistics BC</p>	<p>The Vital Statistics Agency registers all births, marriages, deaths and changes of name that occur in British Columbia. Certificates issued by the agency are legal proof of these vital events.</p>	<ul style="list-style-type: none"> • Coroners service.
<p>Vivid Seats</p>	<p>Ticket reselling platform</p>	<ul style="list-style-type: none"> • Consumer protection, ticket sales.

Name	Description	Key Issues / Interests
Volunteer Firefighters Association of BC	To provide a responsible voice and leadership to the Volunteer Fire Fighter of British Columbia, along with developing programs that reflect their needs, keeping in mind our obligations to further fire prevention training and education.	<ul style="list-style-type: none"> • Fire Safety Act requirements. • Fire safety • Firefighter safety and training • Fire data
We Know Training	We Know Training administers Serving It Right, a mandatory beverage server training program, on behalf of the province. It also administers the new Special Event Server training program launched in 2015 and the new Cannabis retail Selling It Right program for cannabis retail store workers.	<ul style="list-style-type: none"> • Fee from Serving it Right and Special Event and Selling it Right Server training programs. • Changes to program content.
West Coast Prison Justice Society (WCPJS)	Prisoners' Legal Services is a division of WCPJS. Advocacy for individuals in custody.	<ul style="list-style-type: none"> • Correctional services.
Western Canadian Automotive Business Association (WCABA)	Advocacy group. Include impound lot operators as part of their association	<ul style="list-style-type: none"> • Concerned about regulation of impound lot operators, including towing and storage rates.
Wine Growers BC	Wine Growers BC is a volunteer, membership-based, not for profit society. Their mission is to represent the interests of BC wineries dedicated to producing 100% BC grape wines through marketing, communications and advocacy of their products to all stakeholders.	<ul style="list-style-type: none"> • Business Technical Advisory Panel Member • Wine industry supports in the face of the recent crop failures

Name	Description	Key Issues / Interests
WorkSafeBC	WorkSafeBC was established by provincial legislation as an agency with the mandate to oversee a no-fault insurance system for the workplace.	<ul style="list-style-type: none"> • BC Structure Firefighter Minimum Training Standards • Firefighter safety • Coroners service.

Ministry of Public Safety and Solicitor General

2024/25 – 2026/27 Service Plan

February 2024



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Minister's Accountability Statement



The Ministry of Public Safety and Solicitor General 2024/25 – 2026/27 Service Plan was prepared under my direction in accordance with the Budget Transparency and Accountability Act. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in black ink, appearing to read "Mike Farnworth". The signature is written in a cursive style with a large, stylized initial "M".

Honourable Mike Farnworth
Minister of Public Safety and Solicitor General
February 12, 2024

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Strategic Direction

In 2024/25, the Government of British Columbia will remain focused on providing the services and infrastructure that people depend on to build a good life. Government will continue delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean, and fair economy. Government will continue working collaboratively with Indigenous Peoples as it implements the [Action Plan](#) for the [Declaration on the Rights of Indigenous Peoples Act](#) (DRIPA) and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 – 2026/27 service plan outlines how the Ministry of Public Safety and Solicitor General will support the government’s priorities, including the foundational principles listed above and selected action items identified in the [December 2022 Minister’s mandate letter](#).

Purpose of the Ministry

The [Ministry of Public Safety and Solicitor General](#) (PSSG) and the [Ministry of Attorney General](#) (AG) work together as the justice and public safety sector to advance a shared vision of a safe, secure, just, and resilient British Columbia.

PSSG’s mission is to develop public safety policy and legislation and deliver associated services and programs, and administer regulations for the liquor, cannabis, and gambling sectors.

The ministry is responsible for: [policing and law enforcement superintendence](#); [911 emergency communication services](#); [correctional services](#); [victim services](#); [crime prevention and reduction](#); [restorative justice](#); [civil forfeiture](#); [coroners’ services](#); [liquor and cannabis regulation](#); [gambling regulation](#); [problem gambling prevention and treatment services](#); [road safety](#); [criminal record checks](#); [the protection order registry](#); [security industry regulation](#); [consumer protection](#); and [structure fire prevention and safety](#).

The Minister of Public Safety and Solicitor General is also responsible for the [BC Liquor Distribution Branch](#) (LDB) (see [Appendix A](#)) and a number of agencies and boards, including the [Insurance Corporation of British Columbia](#) (ICBC), and the [Organized Crime Agency of BC](#) within the [Combined Forces Special Enforcement Unit – British Columbia](#) (see [Appendix B](#)).

Operating Environment

The ministry continues to strengthen partnerships with Indigenous communities and organizations. These partnerships are integral to advancing the priorities of the ministry, including reducing the overrepresentation of Indigenous Peoples adversely involved in and impacted by the justice and public safety system; addressing gender-based violence, especially

against Indigenous women, girls, and 2SLGBTQQIA+¹ people, who are disproportionately affected; and supporting culturally relevant policies, programs, and services. This is consistent with government's commitment to true, lasting reconciliation, the [Calls to Action of the Truth and Reconciliation Commission](#), DRIPA and the associated Action Plan, the [B.C. First Nations Justice Strategy](#), and the [Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples](#).

The ministry remains committed to advancing its work through a [Gender-Based Analysis Plus](#) lens and in alignment with the [Equity, Diversity and Inclusion Strategy](#) for the BC Public Service to deliver policies, programs, and services that are inclusive, intersectional, responsive, accessible, and culturally safe.

The Province has made significant changes and continues work to address the challenges communities throughout B.C. have faced with repeat offending – criminal activity from a small group of people who are disproportionately committing crimes in neighbourhoods – as well as unprovoked violent stranger attacks.²

Following the release of the [Safer Communities Action Plan](#) (SCAP) in November 2022, cross-sector collaboration resulted in the development and implementation of the [Repeat Violent Offending Intervention Initiative](#) (ReVOII). This program is designed to enhance collaborative efforts between police, dedicated prosecutors, dedicated probation officers, and correctional supervisors, to help keep communities safe by focusing on repeat violent offending in the province. As the ministry continues to lead the program, factors that could impact it include the willingness of community partners to participate and engage; resource constraints and delays within the courts; stability of technology and use of virtual hearings; resource constraints within the forensic and mental health systems; and delays in access to information from justice and public safety partners.

There have been challenges associated with vacancies in the RCMP, which comprises B.C.'s [Provincial Police Service \(PPS\)](#); however, RCMP recruitment is progressing following the Province's November 2022 funding [announcement](#) of a \$230 million investment over three years to allow the RCMP to reach a full staffing level of 2,602 in B.C. It is particularly important to fill vacancies in rural and remote RCMP detachments and regional units, and to hire more officers for specialized units such as the [BC Highway Patrol](#), and units combatting issues such as major crime, the sexual exploitation of children, and money laundering. Factors that may impact the RCMP's ability to reach full staffing levels include retention and retirement trends, and a declining interest in policing as a career.

There is an ongoing need for transformative change to policing and community safety in B.C. This includes policing reforms and enhanced oversight and improved coordination of services

¹ The acronym 2SLGBTQQIA+ refers to people who are Two Spirit, lesbian, gay, bisexual, transgender, queer, questioning, intersex and/or asexual.

² Repeat violent offending has been linked to unintended impacts of federal law changes and case law, and the increased mental health and addiction challenges brought on by the COVID-19 pandemic and the toxic drug crisis. For a detailed analysis of trends in repeat violent offending, see [A Rapid Investigation into Repeat Offending and Random Stranger Violence in British Columbia](#), released in September 2022 by Amanda Butler and Doug LePard.

across government to better support people with mental health and substance use challenges, people at risk of entering the justice system, people leaving correctional centres, and people who are in crisis, or are at risk of experiencing or have experienced violence, trauma and/or significant loss. Challenges to policing reforms include the complexity and scope of the [recommendations](#) of the Special Committee on Reforming the Police Act (the Special Committee), and the engagement capacity of Indigenous partners and local governments that is required for the co-development of legislation.

British Columbians continue to suffer the tragic effects of the toxic and volatile drug supply in the province. Nearly 14,000 deaths have been caused by unregulated drug toxicity since the public health emergency into substance-related harms was first declared in April 2016. 2,511 British Columbians lost their lives to unregulated toxic drugs in 2023 and many others experienced tremendous harm and loss. In every year of this public health emergency, Indigenous Peoples have been disproportionately impacted and overrepresented in toxic drug poisoning events and deaths.³ While the [decriminalization](#) of people who possess certain illegal drugs for personal use is a critical step in B.C.'s fight against the toxic drug crisis, there is much more work to be done. The ministry continues to support the Province's commitment to saving lives and helping people struggling with addiction while simultaneously addressing concerns regarding public drug use and building safe, healthy communities for everyone.

Over the past five years, there has been a rising trend in fire-related deaths across the province as documented in the Office of the Fire Commissioner's (OFC) [annual reports](#). In 2023 62 fire-related deaths and 262 fire-related injuries were reported in British Columbia.⁴ People over the age of 65 are over-represented in fire-related deaths. A working smoke alarm was present in only 45 per cent of reported residential structure fires. In working to reverse the trend in fire-related deaths and injuries, the priorities of the OFC are informed by trends in the natural environment (e.g., impacts of climate change; wildfire incidents), the built environment (e.g., aging building stock; increases in building density; building development in rural areas), and the population (e.g., an aging population; increasing vulnerable populations).

Lastly, the rising frequency and intensity of natural disasters resulting from climate change continue to affect British Columbians and the work of the ministry, as is indicated by the frequent implementation of states of emergency and emergency orders over recent years.

³ Further information on data sources and trends regarding the drug toxicity crisis and Indigenous Peoples can be found [here](#).

⁴ There may be differences between OFC and BC Coroners Service (BCCS) fire fatality reporting. The information presented here is based on fire reports submitted to the OFC on fire-related incidents, injuries and deaths. Fire categories include outdoor fires, structure fires, vehicle fires, and person fires (accidental or otherwise involving a person and fire, e.g. refueling, fireworks, campfire, etc.). The OFC and the BCCS work together on an ongoing basis to reconcile their data sets.

Performance Planning

Goal 1: The justice and public safety sector in British Columbia protects people

A foundational role of British Columbia's justice and public safety sector is to protect people, especially those who are most vulnerable.

Objective 1.1: Improved public safety for all British Columbians

The ministry will continue to advance strategies to improve public safety through a broad range of program areas, including policing; crime prevention and reduction; support for integrated, community-based mental health and social services; road safety; structure fire prevention and safety; and other core functions such as corrections and coroners' services. Safe communities, along with positive public perceptions of safety, are central to the well-being of British Columbians.

Key Strategies

- Utilize the Police Superintendence Framework to assist the Minister of Public Safety and Solicitor General and the Director of Police Services in meeting their statutory obligations under the [Police Act](#) to ensure adequate and effective policing and law enforcement in British Columbia.
- Continue to provide oversight of the PPS to ensure the PPS and the federal government adhere to commitments in the [Provincial Policing Service Agreement](#).
- Support the 12 multi-agency ReVOII hubs operating in B.C., which focus on addressing the specific public safety needs of the communities in which they are located along with the surrounding communities. These hubs ensure that identified individuals are continuously monitored from investigation, charge assessment, bail, trial or plea and sentencing, through to enhanced release planning and ongoing case management of community supervision orders.
- Support efforts to create and enhance existing [Situation Tables](#) to help front line staff to identify vulnerable people and collaboratively and rapidly connect them to services before they experience negative or traumatic events.
- Work to increase the proportion of sentenced individuals under BC Corrections' supervision, either in-custody or in the community, who are referred to cognitive-behavioural and/or skills-based programming to help them make meaningful, positive, and lasting changes in their lives and contribute to [reducing reoffending](#).
- Work with police to address serious and organized crime, including targeting mid-level and high-level drug traffickers, and make communities across the province safer from gangs and guns through a variety of measures, such as:

- Continued implementation of the BC Organized Crime Strategy designed to enhance the Province's oversight of coordinated efforts to combat organized crime and gang violence through the Organized Crime Agency of BC; and
- Measures to combat illegal firearms, such as the regulation of the purchase of imitation firearms and the disruption of the illegal transportation and possession of firearms through enforcement of the [Firearm Violence Prevention Act](#), and operation of the [BC Provincial Forensic Firearms Laboratory](#) to help police build intelligence on illegal firearms and aid in prosecutions.
- Continue to support initiatives that are proven to prevent and reduce crime and promote an integrated, cross-sector approach to increasing the use of [restorative justice](#) in B.C., including:
 - supporting community-based projects through the [Civil Forfeiture Crime Prevention and Remediation Grant Program](#); and
 - working with the [Law Foundation of BC](#) to implement the \$3 million in one-time grant funding [announced](#) in June 2023 to enhance and expand restorative justice.
- Continue work to improve road safety, with a focus on reducing high-risk driving behaviours (e.g., alcohol, drugs, speeding and distraction), increasing the efficacy of traffic enforcement, and ensuring that B.C.'s licensing system supports safe driving.
- Work in collaboration with other ministries and levels of government to prevent structure fires, reduce the number of structure fire-related injuries and deaths, and strengthen the firefighting capacity of local fire departments through:
 - use of the [Community Fire Risk Reduction Dashboard](#), a geospatial tool developed in partnership by Statistics Canada and the OFC to enable the targeting of fire prevention resources within neighbourhoods at greatest risk of structure fires;
 - enhanced public fire prevention efforts, including through a focused smoke alarm program in collaboration with the [BC Injury Research and Prevention Unit](#) and fire departments across the province; and
 - supporting fire services across the province through access to a funding stream for structure fire training and equipment under the [Community Emergency Preparedness Fund](#), a provincial grant program.

Objective 1.2: Improved outcomes for Indigenous Peoples across the justice and public safety sector through strengthened partnerships with Indigenous leadership and communities

Social and economic disparities persist in B.C. with disproportionate impacts on Indigenous Peoples. Indigenous Peoples continue to be overrepresented in the justice and public safety sector as both offenders and victims, while being underrepresented in positions of leadership, and face unique challenges to their physical, social, and economic well-being.

Key Strategies

- Continue to implement DRIPA as it relates to public safety and work toward fulfilling designated commitments in the associated Action Plan.⁵
- In partnership with the AG, the federal government and Indigenous communities, continue work with the [BC First Nations Justice Council](#) to advance the [B.C. First Nations Justice Strategy](#) and work with [Métis Nation BC](#) to develop, endorse and advance the [Métis Justice Strategy](#).⁶ These strategies are Indigenous-led and require ongoing collaboration with Indigenous partners.
- Continue to work with Indigenous leadership and communities to take action to reduce the number of Indigenous Peoples adversely involved in and impacted by the justice system, including recognizing culture for its role in prevention, rehabilitation and recovery and providing culturally relevant programming in communities and correctional centres.
- Provide comprehensive BCCS mortality data and analyses to the [First Nations Health Authority](#) and First Nation communities to inform community-based initiatives that reduce health and safety risks and support wellness. Work with First Nations in investigating suspected remains on the sites of former residential schools and hospitals.
- Continue to support Indigenous participation in the regulated cannabis sector through agreements with Indigenous Nations pursuant to Section 119 of the [Cannabis Control and Licensing Act](#), and work with Indigenous partners to advance a collaborative approach to cannabis-related governance and jurisdiction.

Objective 1.3: Strengthened prevention, protection and support for victims of crime, and marginalized and vulnerable women and children

Gender-based violence (GBV) happens in communities of every kind, urban and rural. It happens at work, at school and in the home. Indigenous women and girls, immigrants and newcomers, racialized people, 2SLGBTQIA+ people, and people with disabilities, are especially targeted with violence.

Key Strategies

- Continue work to implement [A Path Forward: Priorities and Early Strategies for B.C.](#) and the [Calls for Justice](#) of the National Inquiry into Missing and Murdered Indigenous Women and Girls. Collaboratively develop and implement community-driven activities

⁵ The [Declaration Act Action Plan](#), released in March 2022, includes collectively identified goals and outcomes that form the long-term vision for implementing the UN Declaration on the Rights of Indigenous Peoples in B.C. It also identifies 89 priority actions, which are tangible steps to advance this work. PSSG is identified as the lead ministry for actions 3.08, 3.11, 4.11 and 4.47.

⁶ The [Indigenous Justice Secretariat](#) within the AG leads the transformative work and implementation of the First Nations Justice Strategy within government, including influencing social sector areas that provide housing and social supports for individuals in the justice system.

to end violence against Indigenous women, girls and 2SLGBTQQIA+ people through further funding increases to the Path Forward Community Fund in 2024/25.

- Support the [Parliamentary Secretary for Gender Equity](#) and continue working with the Ministry of Finance's [Gender Equity Office](#) to implement [Safe and Supported: British Columbia's Gender-Based Violence Action Plan](#) (GBV Action Plan) announced by the Province in December 2023.
- Support implementation of the [Intimate Images Protection Act](#) by providing victims of non-consensual disclosure of intimate images with a dedicated and centralized [support service](#).
- Continue to support the continuum of [victim services and violence against women programs](#) across B.C. and domestic violence prevention and intervention measures, such as Domestic Violence Units, Interagency Case Assessment Teams, domestic violence programming in BC Corrections, and the [Protection Order Registry](#).
- Conduct [coroners' investigations](#) of all deaths of women and children related to violence and criminal activity; provide key information to law enforcement investigators; inform the development of policy and legislation protecting and supporting victims of crime; conduct inquests and death review panels to highlight risks to marginalized and vulnerable populations; and identify opportunities for greater protection and support.

Discussion

Continued advancement of the strategies highlighted above needs to be done in partnership with Indigenous organizations and communities, and through collaboration with other ministries and sector partners. The ministry will monitor implementation progress on these strategies through project milestones, deliverables, and/or metrics, as appropriate. As well as the metrics included for Goal 1 in the Performance Measures section below, the following are examples of areas that will be tracked and evaluated as indicators of progress in meeting the three objectives identified under that goal.

Objective 1.1: Improved public safety for all British Columbians

- Trends in homicide rates.
- Police resource strength and vacancy rates, which directly impact the ability to keep communities safe.
- Number of ReVOII program participants, including referrals and designated individuals.
- The effectiveness of Situation Tables operating in the province.
- Total amount of grant funding for communities through the Civil Forfeiture Grant Program, along with the number of projects funded.
- Rates of structure fire-related injuries and deaths.

Objective 1.2: Improved outcomes for Indigenous Peoples across the justice and public safety sector through strengthened partnerships with Indigenous leadership and communities

- Milestones in implementing the PSSG-led actions in the DRIPA Action Plan.
- Milestones in developing new Indigenous justice programs, improving existing traditional justice programs, strengthening culturally appropriate programming in community corrections and correctional centers, and supporting the successful reintegration of Indigenous Peoples returning to their community and/or remaining connected to their community following incarceration.⁷
- Number of agreements pursuant to Section 119 of the Cannabis Control and Licensing Act and milestones in advancing a collaborative approach to cannabis-related governance and jurisdiction.

Objective 1.3: Strengthen prevention, protection and support for victims of crime, and marginalized and vulnerable women and children

- Implementation of initiatives to end violence against Indigenous women, girls and 2SLGBTQQIA+ people as identified in the GBV Action Plan.
- Milestones in implementation of a specialized and centralized support service for victims of non-consensual disclosure of intimate images.
- Milestones in establishing new policing standards for responding to sexual assaults.

Performance Measures

Performance Measures	2022 Baseline ¹	2023 Forecast ²	2024 Target ³	2025 Target	2026 Target
[1a] Violent Crime Severity Index (CSI) for B.C. ⁴	100.78	102.85	100.79	98.77	96.79
[1b] Non-violent CSI for B.C. ⁵	101.06	101.19	99.17	97.19	95.25

Data source: [Canadian Centre for Justice and Community Safety Statistics](#) (CCJCSS). Each index has been standardized at 100 for the base year of 2006. Results are reported by calendar year.

¹ 2022 is the most recent year for which results are available. The 2022 baseline figures for British Columbia are higher than the national CSI averages for the same year, which were 81.42 for the Violent CSI and 72.50 for the Non-violent CSI.

² The 2023 forecast for the Violent CSI is an estimate based on projected trends using data since 2019 when changes to the [Uniform Crime Reporting Survey](#) scoring rules were implemented. The 2023 forecast for the Non-violent CSI is an estimate based on projected trends using data since 2020 to exclude the impact of the COVID-19 pandemic, which has been linked to a significant decline in non-violent crimes in 2020 compared to 2019.

³ The ministry is targeting reductions in crime severity over time and the 2024 and subsequent year targets are based on projections of two per cent year-to-year decreases from the 2023 forecasts.

⁷ In previous years, the ministry included a service plan performance measure for the total number of First Nation communities with a Letter of Intent to create a Memorandum of Understanding (MOU) to support the successful reintegration of Indigenous Peoples returning to their community and/or remaining connected to their community upon release from custody. This measure was created when this work with Indigenous communities was first initiated. As many MOUs have now been signed or are in the process of development, this indicator is no longer included. However, advancing MOUs for Supported Community Reintegration between First Nations and BC Corrections remains a priority of the ministry and progress in this area continues to be tracked.

⁴ The Violent CSI is based on the total volume of police-reported violent federal statute offences and measures the relative severity of violent crime.

⁵ The Non-violent CSI is based on the total volume of police-reported federal statute offences not considered violent in nature and measures the relative severity of non-violent crime.

Discussion

The CSI is a tool developed by the CCJCSS, a part of Statistics Canada, in 2009 for measuring police-reported crime in Canada. The CSI is a better indicator of trends in crime than are police-reported crime rates as it takes into account both the volume and severity of crime. The CSI accounts for changes in the level of severity of crime from year to year in comparison to other crimes. The overall CSI for any given year can be separated into the Violent CSI and the Non-violent CSI as reported in the table above.

CSIs use weights which assign higher values to more serious crimes and lower values to less serious high-volume crimes based on actual sentences handed down by the courts in all provinces and territories. They are based on all Criminal Code violations including traffic, as well as drug violations and other federal statutes. A jurisdiction with a higher proportion of more serious crimes will have a higher CSI value while a jurisdiction with a higher proportion of less serious crimes will have a lower CSI value.

While trends in crime rates and crime severity are influenced by factors outside of government’s control, they are tracked by the ministry as a high-level indicator of community safety and are helpful in informing where attention needs to be directed.⁸

Performance Measure		2022/23 Baseline	2023/24 Forecast ¹	2024/25 Target ²	2025/26 Target	2026/27 Target
[1c] Percentage of the sentenced BC Corrections population, rated as moderate/high risk to reoffend ³ , who have been referred to at least one cognitive behavioural and/or skills-based program. ⁴	Indigenous ⁵	24.7	21.7	22.7	23.7	24.7
	Non-Indigenous	25.7	21.5	22.5	23.5	24.5

Data source: Results for this measure are derived from BC Corrections’ Cognos BI using data collected via CORNET—BC Corrections’ case management system.

¹ The 2023/24 forecast was estimated using 2023/24 year-to-date data and trends from the same period of time in 2022/23. Please see below for discussion of the factors which contributed to the decline in the referral rates forecasted for 2023/24 compared to the 2022/23 baselines.

⁸ There are many factors that influence police-reported crime statistics. First, an incident must come to the attention of police. The willingness of individuals to report criminal incidents to police has a considerable impact on the number of crimes ultimately recorded by police. Second, differences between individual police services—such as available resources or departmental priorities, policies, and procedures—can also affect police-reported crime trends. Third, and more broadly, social and economic factors can influence the volume of police-reported crime. In particular, crime rates can be affected by changes in age demographics, economic conditions, neighbourhood characteristics, the emergence of new technologies, and attitudes toward crime.

² The ministry is working to increase program referral rates and the 2024/25 and subsequent year targets are based on a conservative estimated trajectory of one per cent growth per year with an initial target of returning to 2022/23 rates. Due to the multitude of factors influencing program referrals, as discussed below, growth in this indicator is not expected to be linear.

³ Sentenced individuals rated as moderate/ high risk on the Community Risk Needs Assessment, or moderate/high need on the Inmate Needs Assessment were considered for this metric, as per the [risk-need-responsivity principles](#); interventions for low risk/need clients should be kept to a minimum.

⁴ Rates reflect the percentage of Indigenous and non-Indigenous sentenced individuals, who are rated as moderate or high risk/need, who are referred to BC Corrections programs (core programs and/or Essential Skills for Success) in the year specified and the prior fiscal year. A two-year window was selected as BC Corrections supervises individuals sentenced to two years less a day; referrals are typically made at the outset of one's sentence while developing a case management plan, and the two-year timeframe was therefore selected to ensure all referrals were included.

⁵ Indigenous includes individuals who self-identify as Aboriginal, First Nations, Inuit, Métis, and Native.

Discussion

Individuals who have been sentenced to custody or are under community supervision, and who are rated moderate or high risk to reoffend, may be referred to one or more of BC Corrections' programs to help them make positive changes in their lives. These include: [cognitive behavioural programs](#) (i.e., Respectful Relationships, Living Without Violence, Substance Abuse Management, and Thinking Leads 2 Change) designed to help people improve their coping skills, learn how attitudes lead to behaviour, and develop more positive ways of thinking and reacting to the world around them; and skills-based programming that targets living skills (e.g., goal setting, communication skills), and employability skills (e.g., resume writing, job search).

These referrals link individuals to the programs that will help to address their needs. Referral, enrollment, and completion rates for these programs are dependent on a multitude of factors, including a sufficiently sized cohort to run a given program, sufficient time remaining on an individual's sentence to complete the program, client motivation to participate in the program, and appropriate staffing levels to deliver it.

The downward trend forecasted for 2023/24 reflects the above noted factors, in addition to ongoing challenges with the recruitment and retention of correctional staff, and fewer individuals identified as suitable for programming due to the increasing complexity of clients under supervision. BC Corrections has taken action to address staffing challenges, including provision of a recruitment and retention incentive for staff in the Adult Custody Division, and is committed to monitoring program referral rates to ensure continued emphasis is placed on helping individuals gain new skills and improve their thinking, behaviour, and interactions with others.

It's important to note that in addition to programs delivered by BC Correction's staff, individuals are also referred to external programs offered by community agencies. Further, probation officers routinely provide cognitive-behaviourally based services one-on-one with clients that wouldn't be reflected in the results for this performance measure. As such, these rates only reflect one component of BC Corrections' services to clients.

Performance Measure	2018 - 2022 Baseline ¹	2023 Forecast ²	2024 Target ³	2025 Target	2026 Target
[1d] Number, per 100,000 population, of fatalities and serious injuries resulting from a motor vehicle crash where alcohol, drugs, speeding and/or distraction were suspected to be a factor ⁴	26.0	24.7	24.2	23.0	21.9

Data source: Data on the number of traffic fatalities for the 2018-2022 baseline is from the Traffic Accident System (TAS) maintained by ICBC. Population estimates and projections are from BC Stats and are as of July 1 each year. Results are reported by calendar year rather than fiscal year. All numbers have been rounded to the closest tenth.

¹ The baseline is the average rate from 2018 through 2022. 2020 was artificially low due to decreased traffic volumes resulting from the COVID-19 pandemic. Results for 2023 were not included in the baseline as the data has not yet settled for that year or been fully approved.

² The 2023 forecast is based on the most recent data available, extrapolated from January to November RCMP Fatal Victims data, and the average actual from 2017 through 2021 of seriously injured victims. This forecast is to be considered preliminary until the data have settled and been fully approved.

³ The 2024 and subsequent year targets are based on annual reductions of three per cent from the 2023 forecast, taking into account population projections.

⁴ Police attend most crashes occurring on a public road that result in serious injuries or fatalities. At the scene of such crashes, police record the factors they believe influenced the crash and assess whether victims have serious or fatal injuries. Serious injuries are assessed by the officer and may differ from hospitalization counts. A fatality or serious injury with more than one of the high-risk driving contributing factors (alcohol, drugs, speeding and/or distraction) will be counted once for each incidence reported.

Discussion

This performance measure is an indicator of success in protecting the public from high-risk driving behaviours (alcohol, drugs, speeding and distraction), which are the leading cause of traffic fatalities and serious injuries in B.C. The ministry operates [high-risk driver programs](#) to combat these behaviours and contribute to improved road safety across the province.

Goal 2: The justice and public safety sector in British Columbia is fair

Fairness in the justice and public safety sector requires sound regulatory measures that protect public safety and interests while minimizing regulatory impacts on businesses and restrictions on civil liberties.

Objective 2.1: Regulatory systems that promote public safety and interests, and fair and efficient business practices

In regulating the liquor, cannabis, and gambling sectors, and overseeing ICBC and consumer protection policy, the ministry works to support and balance business and community interests. This is done through policy development and implementation and by ensuring compliance with regulatory frameworks to reduce related threats to public safety and well-being through public education and enforcement actions.

Key Strategies

- Support the continued growth and development of the regulated cannabis sector while disrupting the illicit cannabis supply chain and removing illicit product from the market.
- Continue to streamline liquor and cannabis regulation, compliance and enforcement practices and facilitate improved service delivery, including moving more services to the [Liquor and Cannabis Licensing Portal](#) and increasing the accessibility of information, such as the terms and conditions of each class of licence.
- Enhance the effectiveness of the gambling regulatory framework by continuing work to bring the new [Gaming Control Act](#) into force with completion of regulations and implementation of an independent office.
- Review consumer protection laws on an ongoing basis to ensure that they continue to be responsive to current business practices and meet the needs of British Columbians, while minimizing regulatory impacts on businesses.
- Work with ICBC to monitor the [Enhanced Care](#) model to ensure it continues to meet the needs of British Columbians by delivering affordable auto insurance and providing improved care and recovery benefits for people who are injured in a crash in Canada or the United States, regardless of fault.

Discussion

In addition to the metrics identified in the Performance Measures section below, the ministry will monitor implementation progress on these strategies through key milestones and deliverables. Examples of areas where progress will be tracked and evaluated include:

- Steps taken to support the legal, regulated cannabis sector;
- Milestones in streamlining liquor and cannabis regulation, compliance, and enforcement practices;
- Milestones in completing regulations under the new Gaming Control Act and implementing an independent office; and
- Advancements in consumer protection measures.

Performance Measures

Performance Measures	2022/23 Baselines	2023/24 Forecasts ¹	2024/25 Targets ²	2025/26 Targets	2026/27 Targets
[2a] Percentage of Food Primary liquor licences granted within four months of application ³	81	83	85	87	89
[2b] Percentage of Manufacturer liquor licences granted within six months of application	85	87	89	91	92
[2c] Percentage of Liquor Primary licences granted within six months of application ⁴	64	65	66	68	69
[2d] Percentage of Cannabis Retail Store applications granted within 13 months of application ⁴	73	74	75	77	79

Data source: Data for these measures is from the case management system of the ministry's Liquor and Cannabis Regulation Branch (LCRB).

¹ The 2023/24 forecasts were based on current 2023/24 trends.

² The 2024/25 and subsequent year targets represent efforts to achieve year-to-year improvements in the timeliness of application processing through the LCRB.

³ Food Primary liquor licence application volumes lend themselves to potentially greater gains in processing times.

⁴ The processing times for Liquor Primary licences and Cannabis Retail Store licences can be impacted and made longer because they involve local government processes that are outside the ministry's control. Liquor Primary licence processing timelines were previously measured for those completed in under 12 months. Consistent improvements in 2022/23 and 2023/24 have resulted in a new expected timeline of six months.

Discussion

LCRB tracks the percentage of licences granted within established service standards for key licence classes as an indicator of the timeliness of service delivery.⁹ Efficient and timely licensing of liquor and cannabis establishments allows licensees to operate in the legal industry sooner, which ensures that products are sold safely to the public while contributing positively to British Columbia's economy.

⁹ The established service standards are informed by average processing times and incorporate consideration of the factors that can affect those averages, such as local government processes and the actions of applicants. Average processing times may be skewed by a small number of outliers where processing times were significantly extended through factors not in the control of the LCRB. The established service standards serve as goalposts for licence applicants with what may be expected regarding processing times.

LCRB will continue to explore opportunities for process improvements, including evaluating and potentially amending existing requirements prescribed in the Liquor Control and Licensing Regulation that may no longer add value to the oversight of licensees.

Goal 3: The justice and public safety sector in British Columbia is sustainable

The justice and public safety sector must be innovative, adaptive, well-managed, and efficient to remain sustainable.

Objective 3.1: Strengthened sustainability of the justice and public safety sector to deliver accessible and effective programs and services

The ministry continues efforts to ensure that appropriate resource levels are sustained to facilitate the successful delivery of core public safety services, with resources and decision making oriented to optimize public safety benefits to British Columbians.

Key Strategies

- Oversee the RCMP's continued implementation of core police funding to bring the PPS to its full authorized strength of 2,602 members, providing police with the resources they need to address public safety concerns and support adequate and effective levels of policing across B.C.
- Continue to implement the PSSG and MAG Workforce Plan 2023 – 2026 with a focus on evidence-based practices for recruitment, retention, succession management, and leadership and supervisory development, to ensure the ministries have the talent required to deliver on their strategic goals and objectives.
- Continue to enhance and support digital roadside tools for police through electronic ticketing (eTicketing), digitization of roadside forms, and enhanced and automated road safety enforcement across B.C. These tools and supports help to intervene more quickly with dangerous drivers while allowing police to spend more time on other enforcement activities and enable more efficient information sharing between agencies.
- Advance the multi-year initiative to streamline the way people in British Columbia access security and screening licensing processes through online services.¹⁰
- Continue work to improve B.C.'s [Driver Fitness Program](#) to reduce backlogs and enable faster removal of unsafe drivers from the province's roads.
- Advance implementation of the [Justice and Public Safety Sector Digital Strategy](#) to unify digital transformation efforts and coordinate investments in data, technology, and resources to optimize how programs and services are delivered.

¹⁰ Services include processing criminal record checks for individuals working with vulnerable populations, administering licences for security guards and businesses, and performing security screening for the provincial public service and other public bodies.

Discussion

In addition to the metric identified in the Performance Measures section below, the ministry will monitor implementation progress on these strategies through project milestones and deliverables. Examples of areas where progress will be tracked and evaluated include:

- Advancements made by the RCMP in reducing vacancy rates;
- Progress in strengthening evidence-based workforce planning in the ministry.
- Milestones in streamlining security program operations;
- Reduction of backlogs in the Driver Fitness Program; and
- Milestones in implementation of the sector’s digital strategy.

Performance Measures

Performance Measure	2022/23 Baseline ¹	2023/24 Forecast ²	2024/25 Target ³	2025/26 Target	2026/27 Target
[3] Percentage of traffic violation tickets issued through eTicketing	65	75	80	90	90

Data source: Results for this measure are derived from the eTicket Adoption Dashboard.

¹ The 2022/23 baseline is from data in the eTicket Adoption Dashboard.

² The 2023/24 forecast is based on the anticipated rate of adoption of the system and completion of the project.

³ The 2024/25 and subsequent year targets are based on ongoing training and adoption of the system throughout the province. It is anticipated that by 2026/27, the maximum rate for eTicketing will have been achieved as all police cars that enforce traffic will have adopted the system. The additional ten per cent includes traffic violation tickets that are issued by officers from police boats, horses, and foot patrols, which will remain paper-based tickets.

Discussion

Through the eTicketing process, police officers scan drivers’ licence information into an online ticket template that auto-populates offence details, ensuring accuracy while saving time. The vehicle-mounted equipment then rapidly shares this information with justice and public safety sector partners like ICBC, eliminating the need to mail tickets to these partners and for them to re-enter the details.

Through eTicketing, police officers can leverage technology with a process that is more efficient, facilitating faster identification of drivers and enforcement against unsafe driving behaviours and allowing police officers more time for additional enforcement activities.

Goal 4: The justice and public safety sector in British Columbia has the public’s confidence

British Columbians must have confidence in the integrity and effectiveness of the justice and public safety sector for it to function effectively and to ensure continued public participation and support.

Objective 4.1: Increased public confidence in the justice and public safety sector

This objective is linked to the three previous goals. For the public to have confidence in the justice and public safety sector, it must protect people, be fair, and be sustainable.

Public confidence in the police is of particular importance. How police are viewed affects the public's willingness to report crimes, to cooperate with police investigations, to contact the police if victimized, and to abide by laws and police orders. A positive perception of police among British Columbians is a critical aspect of public safety and contributes to lower levels of crime.

Key Strategies

- Develop and implement comprehensive policing reforms to address systemic biases and racism, including co-developing a new Police Act and police oversight statute with Indigenous Peoples and local governments. This includes reviewing [Provincial Policing Standards](#) and mandatory training requirements; strengthening board governance; clarifying the roles and responsibilities of police officers in the context of complex social issues such as mental health, addictions, and homelessness; and contributing to the reform of the federal [First Nations Policing Program](#).
- Advance upgrading B.C.'s 911 emergency communications system to Next Generation 911 (NG911) to strengthen emergency services throughout the province.
- Continue to support the Province's response to the drug toxicity public health emergency by providing comprehensive aggregate mortality data and coroners' reports to the Ministry of Mental Health and Addictions, key partners, and the public.
- Continue to explore the factors resulting in all unexpected and unnatural deaths in B.C. with the goal of identifying and addressing public safety risks, through:
 - Conducting independent and impartial coroners' investigations, inquests and death review panels into unexpected deaths, including deaths caused by unregulated drugs;
 - Collecting data and conducting statistical analyses regarding deaths to allow for collaboration with partner agencies that informs and advances injury and death prevention, and promotes evidence-based public health policies; and
 - Reviewing the deaths of all children age 18 and under to better understand how and why children die, and use those findings to improve the health, safety and well-being of all children in B.C.
- Informed by the [Commission of Inquiry into Money Laundering in British Columbia](#), continue work toward eliminating money laundering in the province through a coordinated, multi-sectoral approach. This includes exploring the development of a dedicated law enforcement unit; strengthening and expanding civil forfeiture, including the use of Unexplained Wealth Orders; and ensuring appropriate policies and police training are implemented for law enforcement.

Discussion

In addition to the metrics identified in the Performance Measures section below, the ministry will monitor implementation progress on the key strategies through project milestones and deliverables. Examples of areas where progress will be tracked and evaluated include:

- Milestones in developing and implementing comprehensive policing reforms;
- Milestones in implementing NG911 across the province; and
- Advancements in the public safety response to recommendations to address money laundering.

Performance Measures

Performance Measures	2022 Baseline ¹	2023 Forecast ²	2024 Target ³	2025 Target	2026 Target
[4a]. Percentage of British Columbians who have “complete confidence” or “a lot of confidence” in the RCMP ⁴	45.0	47.5	50.0	52.5	55.0
[4b]. Percentage of British Columbians who have “complete confidence” or “a lot of confidence” in their local municipal police (or local RCMP detachment)	50.0	52.5	55.0	57.5	60.0

Data source: The [Angus Reid Institute](#) conducts a biennial series of surveys assessing Canadians’ experiences with and opinions of the justice system, with responses broken down to the provincial level. The surveys sample Canadian adults who are members of the [Angus Reid Forum](#).

¹ 2022 is the most recent year for which results are available. In the 2022 Angus Reid survey, there were 577 survey participants from B.C. More detailed results from the 2022 survey are available [here](#).

² The 2023 forecasts are based on projected annual increases of 2.5 per cent.

³ The 2024 and subsequent year targets are based on targeted annual increases of 2.5 per cent.

⁴ The RCMP is British Columbia’s provincial police force. An overview of the structure of police services in British Columbia is available [here](#).

Discussion

The ministry is tracking public confidence in police as an indicator of public confidence in the justice and public safety sector.

For any police department to be effective in serving and safeguarding the public, promoting public confidence is critical. Public confidence is a precursor to peoples’ willingness to call upon the police when needed, to freely share information with police, and to maintain a cooperative and trust-based relationship with police in their community.

Performance Measure	2021/22 Baseline ¹	2023/24 Forecast ²	2024/25 Target ³	2025/26 Target	2026/27 Target
[4c] Median time, in months, to conclude coroner investigations ⁴	15	13	11	9	7

Data source: Results for this measure are from the BCCS.

¹ The baseline is an estimate based on the median number of months to complete a coroner’s investigation in the 2021/22 fiscal year. The baseline is subject to change as the data are finalized. Preliminary results for 2022/23 are not yet available as there are still open files to be settled.

² The 2023/24 forecast is based on the finalized actual for 2020/21 and anticipated improvements in case closure timelines due to additional staffing levels.

³ The 2024/25 and subsequent year targets were established based on historical actuals and anticipated staffing hires.

⁴ The time from the date the BCCS is notified of a death until the investigation is closed, after which the coroner’s report is then distributed.

Discussion

Through its impartial and independent investigations, the BCCS supports public safety and confidence in the justice and public safety sector by providing information about individual deaths and aggregated data reporting to inform evidence-based public safety legislation, policies, and programs.

Under the Coroners Act, the BCCS is mandated to investigate all sudden and unexpected, unexplained, or unattended deaths in the province, including:

- deaths which appear to be the result of violence, injury, or self-harm;
- deaths in which the cause of death is unexplained;
- deaths that do not meet the above criteria but where the deceased person has not been under the care of a physician;
- all deaths which occur in provincial correctional facilities, federal penitentiaries, or other facilities where a person is involuntarily detained, such as those committed to a facility under the [Mental Health Act](#); and
- all deaths of children under the age of 19 years.¹¹

At the conclusion of each investigation, a coroner’s report is completed that confirms the identity of the decedent and how, where, when and by what means their death occurred.

These reports determine the facts surrounding the death, do not determine fault or blame and, where appropriate, may include recommendations aimed at preventing future similar deaths. Every investigation is unique, and individual timelines for completion can be impacted by the complexity of the case, parallel investigations by other agencies, case loads, and other factors.

¹¹ In 2022/23, 13,746 deaths were reported to the BCCS; of those, 6,884 – or approximately 50 per cent – met at least one of these criteria and proceeded to an investigation.

Financial Summary

(\$000s)	2023/24 Restated Estimates ¹	2024/25 Estimates	2025/26 Plan	2026/27 Plan
Operating Expenses				
Corrections	296,131	316,846	319,041	319,798
Policing and Security	534,024	541,647	541,533	541,653
Community Safety and Victim Services	78,374	88,310	88,340	88,340
BC Coroners Service	22,696	29,284	29,650	30,020
RoadSafetyBC	29,244	36,440	36,190	36,240
Liquor and Cannabis Regulation	7,616	8,275	8,275	8,275
Gaming Policy and Enforcement	19,400	21,461	21,933	22,231
Cannabis, Consumer Protection and Corporate Policy	3,712	3,830	3,830	3,830
Office of the Fire Commissioner	3,173	3,261	3,261	3,261
Executive and Support Services	18,324	19,077	19,077	19,077
Statutory Services ²	15,194	15,222	15,222	15,222
Total	1,027,888	1,083,653	1,086,352	1,087,947
Capital Expenditures				
Corrections	1,062	1,062	1,062	1,062
BC Coroners Service	12	12	12	12
Office of the Fire Commissioner	0	36	0	0
Executive and Support Services	1,514	1,887	952	952
Total	2,588	2,997	2,026	2,026

¹ For comparative purposes, amounts shown for 2023/24 have been restated to be consistent with the presentation of the 2024/25 Estimates.

² Statutory Services includes Civil Forfeiture Account, Corrections Work Program Account, Criminal Asset Management Fund, and Victim Surcharge Special Account.

* Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Nanaimo Correctional Centre Replacement Project	2024	160	21	181
<p>Objective: The Nanaimo Correctional Centre (NCC) Replacement Project will replace the current aging and outdated 190-cell correctional centre located in Nanaimo, B.C. The new centre is being constructed on the existing site while the current centre remains operational, after which the existing centre will be deconstructed. The new NCC will be a 202-cell, multi-security level facility, including a 12-cell unit for short-term accommodation of women from Vancouver Island.</p> <p>Costs: NCC Replacement Project costs remain at the increased amount of \$181 million due to higher construction costs.</p> <p>Benefits:</p> <ul style="list-style-type: none"> The new centre will better support staff and enhance the NCC's unique, effective programs, including the Guthrie Therapeutic Community and vocational and educational programs delivered in partnership with Vancouver Island University. The project is expected to bring major regional economic benefits, including approximately 1,000 jobs during construction (650 direct and 275 indirect jobs, plus nearly 100 additional jobs associated with spending by workers). <p>Risks:</p> <ul style="list-style-type: none"> Discovery of unanticipated geotechnical conditions or artifacts during demolition of the existing centre in phase two of the project. Materials availability and inflation placing upward schedule and pricing pressure on the contractor, subtrades, and contract commitments. Scarcity of skilled trades and labour negatively impacting project progress. 				

Appendix A: Public Sector Organizations

As of February 12, 2024, the Minister of Public Safety and Solicitor General is responsible and accountable for the following organizations:

BC Liquor Distribution Branch

The LDB is one of two branches of government that provide oversight for the beverage alcohol and cannabis industries; the other is the LCRB. The LDB is responsible for the wholesale distribution and retail sale of beverage alcohol and cannabis.

The [Liquor Distribution Act](#) gives the LDB the sole right to purchase beverage alcohol both within B.C. and from outside the province, in accordance with the federal [Importation of Intoxicating Liquors Act](#). The LCRB licenses private liquor stores, restaurants, pubs, and manufacturers and enforces regulations under the [Liquor Control and Licensing Act](#).

The [Cannabis Distribution Act](#) establishes a government wholesale distribution model for cannabis, public cannabis retail stores, and a publicly run e-commerce retail channel. The LCRB licenses private cannabis stores and enforces some aspects of the regulations under the [Cannabis Control and Licensing Act](#).

Consumer Protection BC

CPBC is responsible for administering British Columbia's consumer protection laws, namely the [Business Practices and Consumer Protection Act](#), the [Cremation, Interment and Funeral Services Act](#), the [Ticket Sales Act](#), and the [Motion Picture Act](#), along with a variety of associated consumer protection regulations. It is a not-for-profit corporation that protects consumers and promotes a fair marketplace in the province.

Insurance Corporation of British Columbia

ICBC's mandate is to provide universal compulsory (basic) automobile insurance for all British Columbian motorists and compete with private insurance companies to offer various optional vehicle insurance coverages. ICBC also provides non-insurance services on behalf of the provincial government, including driver licensing, vehicle registration and licensing, and fines collection. ICBC's board has the power and authority given to it by the [Insurance Corporation Act](#) and, subject to the Act, manages and supervises the affairs and business of ICBC.

Municipal Police Boards

Independent municipal police departments are overseen by appointed police boards made up of civilian members of the community. The role of these police boards is to provide general governance, oversight, and direction to the department, in accordance with relevant legislation and in response to community needs.

Organized Crime Agency of British Columbia and Combined Forces Special Enforcement Unit – British Columbia

See Appendix B

Appendix B: The Organized Crime Agency of BC and Combined Forces Special Enforcement Unit – BC

Purpose of the Organization

In 1999, the Organized Crime Agency of British Columbia (OCABC) was created as an independent Designated Policing and Law Enforcement Unit under the provincial Police Act.

In 2004, the Combined Forces Special Enforcement Unit – British Columbia (CFSEU-BC) was developed in consultation with the provincial government as an initiative to integrate the OCABC, the municipal police departments, and the RCMP.

The mission of the CFSEU-BC is to facilitate the disruption and suppression of organized crime that affects British Columbians. Its mandate is to investigate, support the prosecution of, disrupt, and suppress criminal organizations, consistent with local, regional, national, and international priorities. The CFSEU-BC also supports other agencies by assisting in organized crime and major crime investigations.

Governance Overview

The Board of Governance for the OCABC also acts as the Board of Governance for the CFSEU – BC.

The board is currently comprised of two civilian members who are community leaders in the areas of finance and governance, the Chief Constable of the Vancouver Police Department; the Chief Constable of the Victoria Police Department; the Deputy Commissioner Pacific Region and Commanding Officer “E” Division RCMP; the Assistant Commissioners of the “E” Division RCMP; and the Deputy Director of Police Services and the Associate Director of Police Services of PSSG’s Policing and Security Branch. The Director of Police Services sits as an ex officio member of the board.

The board determines the strategic direction of the CFSEU-BC and ensures its operational priorities are aligned with the policing priorities for British Columbia. The CFSEU-BC operates under the RCMP policies and procedures.

The Chief Officer in charge of the CFSEU-BC leads an executive team comprised of civilian members, in addition to regular RCMP and municipal officers seconded from across the province. The CFSEU-BC Gang Enforcement Unit, Investigation Teams, and the Joint Illegal Gaming Investigation Team are just a few of the teams that fall under the responsibility of the CFSEU-BC. Offices for the CFSEU-BC are located in the Lower Mainland, Prince George, Kelowna, and Victoria.

Ministry of Public Safety and Solicitor General

Justice System Background

**Ministry of Public Safety and Solicitor General
Minister's Transition Book**

**Justice System Background
Table of Contents**

1. Overview of Federal and Provincial Responsibility for the Justice System
2. Role of Solicitor General
3. Role of Attorney General
4. Justice and Public Safety Council

Ministry of Attorney General and Ministry of Public Safety & Solicitor General
OVERVIEW OF FEDERAL AND PROVINCIAL/TERRITORIAL RESPONSIBILITY
FOR THE JUSTICE SYSTEM

Responsibility for the justice system is divided between the federal and provincial and territorial governments.

The Courts

The provinces and territories are authorized to establish, maintain and organize courts in their jurisdictions for criminal and civil matters. In B.C., cases heard in the provincial court fall into four main categories: adult and youth criminal matters; family matters; small claims; and traffic and bylaw matters. Provincial and territorial court judges are appointed and paid by the jurisdictions in which they sit. The federal government appoints judges for superior courts in B.C. such as the Supreme Court of British Columbia and the Court of Appeal of British Columbia. The support for these courts is administered by B.C. (facilities, clerks, registry, and sheriffs).

The federal government is also responsible for the federal court and the Federal Court of Appeal. The federal court hears and decides legal disputes dealing with matters that are assigned to the federal government under the constitution such as immigration, citizenship, admiralty, and taxes as well as some criminal law matters of national concern. The federal court may sit anywhere in Canada and the court's orders are binding in every province and territory. The federal government is also authorized to establish the Supreme Court of Canada as the final court of appeal in the country.

Law Making

The provinces/territories and the federal government have authority to establish and enforce laws in relation to matters within their jurisdictional responsibilities.

Prosecutions

The Public Prosecution Service of Canada (federal Crown Counsel) conducts prosecutions that fall within federal jurisdiction, while Crown Counsel with the BC Prosecution Service (BCPS) conduct prosecutions that fall within provincial jurisdiction.

The Public Prosecution Service of Canada (PPSC) has exclusive jurisdiction to prosecute offences under federal statutes apart from the *Criminal Code* (e.g., *Controlled Drugs and Substances Act*, *Income Tax Act*, *Firearms Act*). The BCPS has exclusive jurisdiction to prosecute offences under provincial statutes (e.g., *Motor Vehicle Act*, *Environmental Management Act*).

Most *Criminal Code* offences are prosecuted by the BCPS. However, the *Criminal Code* provides concurrent jurisdiction for a limited number of offences (section 2.3). By agreement, the BCPS and PPSC have developed protocols for determining which service should take conduct of concurrent jurisdiction offences. For example, the PPSC will prosecute terrorist and certain criminal organization offences.

The PPSC and BCPS have established the major/minor agreement to allow for a single prosecution for various offences, some of which would normally be prosecuted by the PPSC, and some which would normally be prosecuted by the BCPS. The service with responsibility for the more significant offences will generally assume conduct of the entire prosecution.

Policing

The provinces' and territories' constitutional jurisdiction for the administration of justice includes oversight and management of provincial/territorial policing services. Provincial police services under the B.C. government are provided to municipalities with a population of up to 5,000 persons, and in rural and unincorporated areas by the B.C. RCMP as the Provincial Police Service. Municipalities with a population over 5,000 are responsible under the *Police Act* for the provision of policing and law enforcement services within their municipal jurisdictions. Municipalities over 5,000 must choose one of three service delivery models prescribed under the Act: a Municipal Police Unit with the RCMP as their service provider; a municipal police department (non-RCMP); or an agreement with another municipality that has a municipal police department. In addition, there are three designated policing and law enforcement units in the Province: the Stl'atl'imx (Stat-la-mic) Tribal Police Service, which is the only First Nations self-administered police service in British Columbia; the South Coast British Columbia Transportation Authority Police Service (Transit Police); and the Organized Crime Agency of British Columbia. Under the *Police Act*, these units operate similarly to a municipal police department and are overseen by a police board.

The Government of Canada has jurisdiction over the federal RCMP police service which includes members of the federal service operating in B.C. Under the *Royal Canadian Mounted Police Act*, the federal service is required to enforce all federal laws, including those related to national security, illicit drugs, organized crime, financial crime and international policing.

Correctional Services

The provinces and territories are constitutionally responsible for establishing, maintaining and managing correctional centres for adult remanded into custody while awaiting trial, or serving a sentence of less than two years. The federal government is responsible for penitentiaries for adults serving sentences of two years or longer. The provinces and territories administer court ordered community sentences and supervision of accused on bail. The provinces and territories are also responsible for youth justice services and in B.C. youth custody and youth community corrections are administered by the Ministry of Children and Family Development.

Ministry of Public Safety and Solicitor General ROLE OF SOLICITOR GENERAL

British Columbia's Solicitor General is the province's top public safety and law enforcement official. The statutory responsibilities of the office are derived from the Solicitor General's portfolio as a minister of the Crown.

The Solicitor General is the minister responsible for the administration of the *Police Act* and in accordance with the Act, must ensure that an adequate and effective level of policing and law enforcement is maintained throughout the province.

The Solicitor General is the minister responsible for the *Correction Act* which provides for provincial correctional centres for adult men and women awaiting trial and sentenced to less than two years and for community corrections. These responsibilities stem from the exclusive powers of provincial legislatures under sections 92(6) and (14) of the *Constitution Acts, 1867 to 1982* for jurisdiction for the administration of justice and establishing, maintaining and managing correctional centres in and for the province.

The Solicitor General and Attorney General work together but each have distinct responsibilities. The Solicitor General is responsible for policing and public safety while the Attorney General is government's chief law officer. It has not been uncommon in B.C.'s history to have one minister in both roles. When the roles are combined the minister is responsible for the administration of justice as it relates to the portfolio of the Solicitor General and Attorney General.

In England, the office of Solicitor General has a long history and was held by some influential persons, including Sir Frances Bacon, the 17th-century lawyer, philosopher and member of the House of Commons. Traditionally, both the Solicitor General and Attorney General held appointments by Crown prerogative and appeared on behalf of the sovereign in the courts as law officers. By the 17th century the positions had evolved into political offices, with the Attorney General being the lead legal advisor to the Crown. By the mid-19 century, as the concept of responsible government matured, the roles of Solicitor General and Attorney General also grew into a wider responsibility for the administration of justice which remains evident today in B.C.

Canada adopted the English common law tradition of dual law officers. In 1892, Canada created the office of Solicitor General to assist the Attorney General. Over time, Canada departed from the role of law officer for the Solicitor General. By 1985, the office's responsibilities included federal prisons, parole, RCMP and national security. Additional responsibilities of emergency management and border strategies came in later years. In 2005, the federal *Department of Solicitor General Act* was repealed and the portfolio for national public safety was assigned to the Minister for Public Safety Canada.

Ministry of Attorney General
ROLE OF THE ATTORNEY GENERAL

The Attorney General of British Columbia has two distinct roles.

The first role is that of a Cabinet minister, exercising administrative and ministerial functions to superintend a large and diverse ministry. In this role, the Attorney General is responsible for representing the interests and perspectives of the ministry at Cabinet, and accordingly the government, to the ministry and the ministry's communities of interest. The minister introduces policies and programs that not only change the law but are intended to influence the way the law is applied, how the legal system functions and how individuals interact with the system.

The second, and markedly distinct role is as chief law officer of the Crown. In relation to prosecutions, the Attorney General acts independently of the cabinet, government, and partisan politics. This constitutional convention is now so firmly entrenched in the Canadian political system that any deviation would likely lead to the resignation of the Attorney General or would, at the very least, spark a constitutional crisis (M. Rosenberg, "The Attorney General and the Administration of Criminal Justice", *Queen's Law Journal* 34(2), 2009).

As chief law officer, the Attorney General is the official legal advisor of the Lieutenant Governor, Cabinet, and government. The Attorney General is the guardian of the rule of law and the independence of courts and prosecutions.

The duties and powers of the Attorney General are codified in section 2 of the *Attorney General Act*, which states:

2 The Attorney General

- (a) Is the official legal advisor of the Lieutenant Governor and the legal member of the Executive Council;
- (b) Must see that the administration of public affairs is in accordance with law;
- (c) Must superintend all matters connected with the administration of justice in British Columbia that are not within the jurisdiction of the government of Canada;
- (d) Must advise on the legislative acts and proceedings of the Legislature and generally advise the government on all matters of law referred to the Attorney General by the government;
- (e) Is entrusted with the powers and charged with the duties which belong to the office of the Attorney General and Solicitor General of England by law or usage, so far as those powers and duties are applicable to British Columbia, and also with the powers and duties which, by the laws of Canada and of British Columbia to be administered and carried into effect by the government of British Columbia, belong to the office of the Attorney General and Solicitor General;
- (f) Must advise the heads of the ministries of the government on all matters of law connected with the ministries;
- (g) Is charged with the settlement of all instruments issued under the Great Seal of British Columbia;
- (h) [Repealed 1997-7-17.];

- (i) Has the regulation and conduct of all litigation for or against the government or a ministry in respect of any subjects within the authority or jurisdiction of the legislature, and
- (j) Is charged generally with duties as may be assigned by law or by the Lieutenant Governor in Council to the Attorney General.

Official Legal Advisor and Legal Member of Executive Council

The role of official legal advisor is linked to the Attorney General's overall responsibility as the independent legal member of the Executive Council. The independence of the role is fundamental to the position and well established in common law, statutes and tradition.

The Attorney General has a special responsibility to be the guardian of the rule of law, which protects individuals and society from arbitrary measures and safeguards personal liberties. The Attorney General also has a particular role to play in advising Cabinet to ensure the rule of law is maintained and that Cabinet actions are legally and constitutionally valid. This role does not necessitate, however, that the post must be held by a person entitled to practice law. The British Columbia Court of Appeal (*Askin v Law Society of British Columbia*, 2013 BCCA 233) upheld the BC Supreme Court decision and confirmed that there is no “express or necessarily implied requirement that a person appointed to the office of the Attorney General be a member of the Bar of British Columbia for five years or even be qualified to practice law.”

In providing advice, it is important to keep in mind the distinction between the Attorney General's policy advice and preferences and the legal advice being presented to Cabinet. The Attorney General's legal advice or constitutional advice should not be ignored; however, when providing policy advice, the Attorney General's recommendations have the same authority as that of other ministers.

Legislative Responsibilities

The Attorney General is responsible for overseeing that all legislative enactments are in accordance with principles of natural justice, fairness, civil rights, and consistent with other provincial legislation. Significantly, the Attorney General also advises on the constitutionality of legislation, including consistency with the Charter of Rights and Freedoms.

The Attorney General's legislative responsibilities are manifested in a variety of roles, including the relationship with Legislative Counsel, which plays a key role in ensuring the legal integrity of government legislation. Although Legislative Counsel's reporting relationship to the Attorney General does allow the Attorney General to provide guidance and set standards, individual pieces of legislation are drafted on instructions from client ministries and are not within the sole control of Legislative Counsel or the Attorney General. In addition, legislation must meet requirements in some treaties such as the requirement for consultation.

The Attorney General has a further role to play as part of the Legislative Review Committee to review legislation and regulations and to comment on the technical issues related to legislation and regulations prior to Cabinet consideration.

The Attorney General's role on legislative matters is as an advisor to the Cabinet. Although unlikely, Cabinet could, in theory, receive the Attorney General's legal opinion on legislation and choose to disregard it. Such a situation could, however, in extreme circumstances, result in the Attorney General tendering a resignation. Failure to accept and comply with the advice provided could be construed as lack of confidence in the Attorney General's counsel or an attempt to compromise the independent determinations of the Attorney General. Such a situation occurred in 1988 when the Honourable Brian R. Smith Q.C. resigned as Attorney General on the basis that then Premier William Vander Zalm apparently lacked confidence in him and sought to weaken the independence of the office of the Attorney General, which Mr. Smith described as one of "great sensitivity and neutrality in the administration of justice".

Civil Litigation

In addition to specific responsibilities to conduct civil litigation on behalf of the government and its agencies, the Attorney General has broader litigation responsibilities. These powers are based on the Crown's *parens patriae* (parental) authority. The Attorney General's authority is not only to conduct litigation in cases directly affecting the government or its agencies but also to litigate cases where there is a clear matter of public interest or public rights at stake.

This has been characterized as a constitutional responsibility to ensure that the public interest is well and independently represented. It may involve interventions in private litigation or Charter challenges to legislation, even if the arguments conclude that the legislation does contravene constitutionally protected rights.

Court Administration

A key component of the Attorney General's constitutional responsibilities to ensure the administration of justice in the province is the administration of the courts. This includes responsibility for maintaining liaison with the judiciary.

Given the fundamental importance of the independence of the judiciary, the responsibility for court administration is often a very sensitive and delicate issue. Great care and respect for the principles of judicial independence must be exercised in this area. A Memorandum of Understanding between the Attorney General and the three courts has been developed to provide clarity regarding roles and responsibilities applicable to this relationship.

Criminal Prosecutions

The Sovereign has the constitutional right and obligation to maintain peace and prosecute crimes. The duty to prosecute offences flows directly and exclusively from the Sovereign to the Attorney General as the chief law officer of the Crown (*Regina v Smythe* (1971), 3 CCC (2d) 97 (CA), *aff'd* [1971] SCR 680). In criminal prosecutions, the Attorney General has to stand alone, acting independently of Cabinet and of political or other external influences. The Attorney General's independence is "so fundamental to the integrity and efficiency of the criminal justice system that it is constitutionally entrenched" (*Miazga v Kvello Estate*, 2009 SCC 51).

The Attorney General is ultimately responsible for all prosecutions within provincial jurisdiction and must fulfill this constitutional role in an independent and nonpartisan manner. The Attorney General's responsibility for individual criminal prosecutions must be undertaken – and seen to be undertaken –

on rigorously objective and legal criteria, free of any political considerations, and in accordance with the accused's constitutional rights.

Any exercise of prosecutorial discretion is neither a matter of government policy nor subject to interference by other arms of government and other external bodies (*Miazga v Kvello Estate*, 2009 SCC 51). In superintending prosecutions, the Attorney General exercises an independent function resembling that of a judge (Ian Scott, "The Role of the Attorney General and the Charter of Rights" (1986-87) 29 *Criminal Law Quarterly* at para 190).

The BC Prosecution Service (BCPS), which is the Criminal Justice Branch of the Ministry of Attorney General, administers the prosecution service under the leadership of the Assistant Deputy Attorney General (ADAG). The BCPS is responsible for approving and conducting all prosecutions in British Columbia that are not within the jurisdiction of the federal prosecution service, as well as appeals and ancillary proceedings arising out of these same prosecutions. The ADAG appoints Crown Counsel to represent the Attorney General before the courts on criminal prosecutions and appeals under the *Crown Counsel Act*.

The Attorney General's prosecutorial function is delegated to Crown Counsel, who exercise the prosecution function as the Attorney General's lawful agents. Crown Counsel's "'Minister of Justice' obligations of objectivity and independence ... is an essential protection of the citizen against the sometimes overzealous or misdirected exercise of state power. It is one of the more important checks and balances of our criminal justice system..." (*R v Regan*, 2002 SCC 12). Prosecutorial independence ensures that Crown Counsel can properly fulfill their quasi-judicial role as ministers of justice.

The principle of prosecutorial independence is critical to maintaining the rule of law. The independence of Crown Counsel ensures that they can take the right decision in a case without fear or favour, without being subjected to improper pressure from another source, whether it be the media, politicians, the police, a victim seeking revenge or even a misguided public opinion. Prosecutorial independence promotes public confidence that criminal justice will be administered impartially and free from partisan political concerns. Crown Counsel possess transcendent public duties of objectivity, independence and integrity in pursuit of ensuring a fair trial for the accused and maintaining public confidence in the administration of justice. The prosecutor's core duties are to act objectively and independently in the interests of the integrity of the system and the rights of the accused (*Ontario (AG) v Clark*, 2021 SCC 18).

Crown Counsel must not act for improper purposes, such as purely partisan motives. This constitutional principle safeguards the rights of the individual and the integrity of the justice system (*R v Cawthorne*, 2016 SCC 32). Their responsibility is to present the case fairly, not necessarily to seek a conviction.

Although the Attorney General can become involved in decision making in relation to individual criminal cases, such a practice would leave the minister vulnerable to accusations of political interference. Accordingly, it is traditional to leave the day-to-day decision-making in the hands of Crown Counsel "as it is uncommon for a single prosecution to attract the Attorney General's personal attention" (*Krieger v Law Society of Alberta*, 2002 SCC 65).

The *Crown Counsel Act* governs the relationship between the BCPS and government through the Attorney General and provides the BCPS with significant independence in the exercise of its mandate. It imposes transparency by requiring that any directions from the Attorney General or Deputy Attorney

General (DAG) on specific prosecutions be set out in writing and published in the Gazette. Any policy directions provided by the Attorney General or DAG must also be set out in writing and may be published in the Gazette at the discretion of the ADAG. Transparency avoids allegations of improper political influence that, even when unfounded, can have significant adverse implications for the Attorney General, for the government, and for the public's perception of justice (*Blackmore v British Columbia (Attorney General)*, 2009 BCSC 1299).

The *Crown Counsel Act* also protects politically sensitive prosecutions from actual or perceived improper political interference by providing the ADAG (and only the ADAG) with the authority to appoint a Special Prosecutor. Special Prosecutors make their decisions on prosecution files independent of the BCPS and outside any immediate supervisory authority of the AG. The ADAG may give a direction to a special prosecutor in respect of any matter within the mandate of the special prosecutor, but that direction must be given in writing and be published in the Gazette.

The *Crown Counsel Act* also provides the BCPS a measure of independence and autonomy with respect to public communications. When the ADAG determines it is in the public interest to release a public statement about a decision in a high-profile case, the BCPS may release a Clear Statement.

The *sub judice* rule strictly prohibits the Attorney General, legislators, and government officials from commenting on matters before the courts. The rule protects the authority, independence and impartiality of the courts, as well as the fairness and integrity of legal proceedings. Breaches of this rule may constitute contempt of court and can jeopardize on-going prosecutions. Comments by members of government that could be interpreted as pressuring the BCPS or the courts to act in a certain way may compromise the constitutional rights of accused persons, potentially resulting in applications for stays of proceedings or changes of venue. They also erode public confidence in the justice system, which must be seen as being free from improper political inference at every level.

Ministry Issues Note

Last Updated: September 12, 2024

Subject: Justice and Public Safety Council

SUMMARY OF ISSUE:

- The BC Justice and Public Safety Council will be delivering a sector-wide strategic plan and a Justice Summit in 2025, in accordance with the Justice Reform and Transparency Act (2013).

BACKGROUND:

- The Justice and Public Safety Council was created in 2013 through the Justice Reform and Transparency Act to provide strategic direction to the justice and public safety sector.
- The Council is chaired by the Deputy Attorney General with the Deputy Solicitor General acting as Vice-Chair. Membership consists of Deputy Ministers and Assistant Deputy Ministers from across the justice and public safety sector who are appointed by the Attorney General through Ministerial Order (Appendix 1).
- The Council's objectives are to:
 - Develop and publish a 3-year Strategic Plan for the sector each fiscal year, reflecting desired outcomes for the justice and public safety sector.
 - Advise the Minister on convening a yearly Justice Summit to facilitate innovation in and collaboration across the sector.
 - Promote cooperation and facilitate the collection and sharing of information to enhance performance and efficiency across the sector.
 - Provide advice and recommendations to the Attorney General.
- Government Financial Information
- The last Justice Summit was virtual and was held online on November 24, 2023 with a theme of "Strengthening Partnerships for a Safer British Columbia."
- Due to the timing of the Provincial election, the Justice Summit will not be held in 2024. Advice/Recommendations; Intergovernmental Communications
- Advice/Recommendations; Intergovernmental Communications
- The Council will seek approval from the Attorney General to finalize the Summit date and theme.
- The *Justice Reform and Transparency Act* came into force in 2013 and since then, the purpose and value of the Justice Summit has shifted over time. Evolving from the pandemic, Justice Summits moved to an online format to accommodate regional diversity and travel restrictions. In addition, the Summits shifted away from providing

strict recommendations for the sector, instead focusing on information sharing of innovative developments and best practices in the sector.

NEXT STEPS:

Advice/Recommendations

-
- The Council will seek approval from the Attorney General:
 - To appoint new members to the Justice and Public Safety Council through Ministerial Order; and,
 - Advice/Recommendations

ADM RESPONSIBLE:

Alex Chandler	Executive Financial Officer & Assistant Deputy Minister	Corporate Management Services Branch	778 698-1542
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Appendix 1: Positions represented on the current Justice and Public Safety Council

- Deputy Attorney General (Chair), Ministry of Attorney General
- Deputy Solicitor General (Vice-Chair), Ministry of Public Safety and Solicitor General
- Deputy Minister, Ministry of Children and Family Development
- Deputy Minister, Ministry of Mental Health and Addictions
- Assistant Deputy Minister, Policing and Security Branch, Ministry of Public Safety and Solicitor General
- Assistant Deputy Minister and Chief Information Officer, Information Systems Branch, Ministry of Attorney General
- Assistant Deputy Minister, Court Services Branch, Ministry of Attorney General
- Assistant Deputy Minister, Indigenous Justice Secretariat, Ministry of Attorney General
- Assistant Deputy Minister, Corrections Branch, Ministry of Public Safety and Solicitor General
- Assistant Deputy Minister, Community Safety and Crime Prevention, Ministry of Public Safety and Solicitor General
- Assistant Deputy Attorney General, BC Prosecution Services, Ministry of Attorney General
- Assistant Deputy Minister, Corporate Strategic Initiatives, Ministry of Public Safety and Solicitor General

Ministry of Public Safety and Solicitor General

Policing in B.C. Supplemental Information

Ministry of Public Safety and Solicitor General
POLICING IN BC – PROCESS AND PROTOCOLS

Overview – Policing Responsibility in BC

Policing in Canada is a shared responsibility between federal, provincial/territorial, and municipal governments.

Under the *Constitution Act, 1867*, the federal government has exclusive authority to enact legislation regarding criminal law and procedure. In addition, the federal government is responsible for providing a federal police service to protect national security. The *Constitution Act*, delegates responsibility for the “administration of justice” to provincial governments [s. 92(14)].

Under the *BC Police Act*, a municipality with a population of more than 5,000 persons must provide policing and law enforcement in accordance with the *Act* within their municipal boundaries. The provincial government must provide policing and law enforcement services for rural and unincorporated areas of the province and municipalities with a population of up to 5 000 persons.

In BC, policing is provided by:

- The RCMP Federal Police Service, which enforces federal statutes and is responsible for national security, terrorism, drugs and some organized crime, financial crime, and international policing;
- There are three 20-year Police Service Agreements that allow the RCMP to act as British Columbia's Provincial Police Service (PPS), as well as a Municipal Police Unit for municipalities with RCMP services. The agreements came into effect in April 1, 2012 and expire March 31, 2032.
- The *Provincial Police Service Agreement (PPSA)* is between the federal and provincial governments that allows the RCMP to act as the Provincial Police Service. The *Municipal Police Service Agreement (MPSA)* also between the Province and Canada, allows the Province to subcontract part of the PPS to municipalities with a population over 5,000 persons that chose to enter into a *Municipal Police Unit Agreement (MPUA)* between the Province and individual municipalities, in order for the municipalities to establish a Municipal Police Unit with the RCMP as their service provider.
- The Provincial Police Service (BC RCMP as the current service provider), provides local detachment policing services to provincial jurisdictions (rural and unincorporated areas) and maintains the capacity and expertise to provide certain specialized services to the entire province;
- There are 68 municipalities (currently including Surrey) that have contracted with the provincial government through an MPUA to establish a Municipal Police Unit with the BC RCMP as their service provider.

- Additionally, there are 12 municipalities policed by 11 Municipal Police Departments (non-RCMP) that are overseen by a civilian police board (this will increase to 13 municipalities policed by 12 Municipal Police Departments once Surrey Police Service is operational on November 29, 2024). Note: Victoria and Esquimalt are currently an amalgamated service, with both municipalities served by one Municipal Police Department);
- The 2024 *Framework Agreement* (FA), between the Province and Canada, allows for the use of the RCMP's Indigenous Policing Services to provide enhanced policing services to participating First Nations through a Community Tripartite Agreement (CTA). A CTA is an agreement between Canada, the Province, and participating First Nation(s). The FA has been established until March 31, 2029 with a maximum extension period of five years to 2034.
- There is one First Nations self-administered policing service (Stl'atl'imx Tribal Police Service) under the First Nations *and* Inuit Policing Program (FNIPP). This service is established as a Designated Policing Unit under the BC *Police Act*.
- A variation of the CTA is the Quadripartite Agreement, where a non-RCMP police service provides the enhanced police services to a participating First Nation (between Delta Police Department and Tsawwassen First Nation).
- The PSAs and FA include requirements pertaining to the roles, responsibilities, governance and oversight of the RCMP police services within BC, including acknowledgment of responsibilities that remain within the internal management and control of the RCMP as a federal entity. These Agreements also include variations of cost-share arrangements for eligible items, and;
- Designated Police Units, such as the Metro Vancouver Transit Police in the Lower Mainland area of the province, Stl'atl'imx Tribal Police Service, the Organized Crime Agency of BC, part of an integrated team (Combined Forces Special Enforcement Unit) consisting of over 400 members drawn from the RCMP and independent departments to lead provincial efforts against organized crime and gang violence.

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The Role of the Minister

Part 2 of the *Police Act* outlines the powers and responsibilities of the Minister. They are broad and varied, in order to allow the Minister to meet the obligation of ensuring that an adequate and effective level of policing and law enforcement is maintained throughout BC. The Minister may establish priorities, goals, and objectives for policing and law enforcement in BC.

Operational deployment of police services falls to the RCMP, the municipal police department, or the relevant designated policing and/or law enforcement unit. Individual investigations and enforcement decisions occur at arm's length from government and the government cannot interfere with or direct police on such matters.

The Act sets out the circumstances under which the provincial government must provide policing and law enforcement services, and those under which municipalities must be responsible for their services. Even though a municipality may be responsible for its police services, the Act gives the power to the Minister to provide or reorganize the policing and law enforcement of a municipality if the Minister considers it necessary. If a municipality is not fulfilling its obligation to provide adequate and effective policing, the Minister may take steps to ensure that adequate and effective policing occurs, including appointing persons as constables to police the municipality or using the Provincial Police Service. Similarly, if the Minister receives notification that a policing or law enforcement unit is not complying with the Act, the Minister may provide policing or law enforcement in place of the designated unit's officers.

The practical, day-to-day application of the Minister's role in the governance of policing is undertaken by the Director of Police Services in accordance with Part 8 [Director of Police Services] of the Act.

The Role of the Director of Police Services

The Minister must designate a person employed in the ministry as the Director of Police Services. The director, who acts on behalf of and subject to the direction of the Minister, is responsible for "superintending policing and law enforcement functions in British Columbia" [s. 39] and provides assistance to the Minister in providing central oversight of all policing in the province.

The director's oversight functions require the development and administration of policing policy and programs including the direction and authority granted in Part 8 of the Act. The director's functions include the following activities (per s. 40 of the Act):

- Establish standards and evaluate compliance with such standards, as set out under s. 40 of the *Police Act*;
- Support the Minister in meeting their obligations and to act in an advisory role;
- Inspect and report on the quality and standard of policing and law enforcement services delivery;
- Maintain a system of statistical records required to carry out inspections, evaluations and research studies;
- Consult with and provide information and advice to the Minister, chief civilian director, chief constables, chief officers, boards and committees, on matters related to policing and law enforcement;
- Make recommendations to the Minister about appointments to police boards;

- Make recommendations to the Minister on: minimum standards for selection and training of officers, Independent Investigations Office investigators, or classes of officers; the use of force by officers, Independent Investigations Office investigators, or classes of officers, including their training and re-training in the use of force; and any other matter related to policing and law enforcement;
- Establish and carry out, or approve and supervise, programs to promote cooperative and productive relationships between officers or the Independent Investigations Office investigators and the public;
- Assist in the coordination of policing and law enforcement provided by the Independent Investigations Office, provincial police service, municipal police departments, designated policing units, and designated law enforcement units;
- Report to the Minister on the activities of police services, designated policing units, and designated law enforcement units in their provision of police and law enforcement services; and
- Perform other superintending functions and duties assigned to the director under the *Police Act*.

Ministry of Public Safety and Solicitor General

BC Corrections Supplemental Information

Ministry of Public Safety and Solicitor General
BC CORRECTIONS: AUTHORITY TO SUPERVISE

Community Corrections

- Community Corrections' mandate and accountabilities are set out in both federal and provincial legislation, including the *Correction Act* and the *Criminal Code*.
- Staff supervise several types of court orders that include a condition requiring the individual to report to a probation officer, including, but not limited to the following:
 - Bail – s. 515, 499 and 503 of the *Criminal Code*;
 - Probation – s. 731(1) of the *Criminal Code* or s. 89 of the *Offence Act*;
 - Conditional sentence – s. 742(1) of the *Criminal Code*; and
 - Section 810 recognizance – s. 810, 810.1 and 810.2 of the *Criminal Code*.
- BC Corrections case management and supervision for sentenced individuals consists of:
 - Assessing risk and needs as they relate to criminal behaviour;
 - Developing a case management plan based on the assessment, that includes delivering structured interventions that address identified risks/needs;
 - Assessing the individual's response to the intervention and adjusting the case management plan as required; and
 - Monitoring individuals for compliance with court ordered conditions and holding individuals accountable when they violate conditions.
- Accused persons on bail are presumed innocent until proven guilty, therefore probation officers are not required to undertake risk assessments or refer accused persons to programming or treatment. Interventions are conducted only to satisfy community safety and provisions of the order.
- Probation officers consider application for a Criminal Code s. 810.1 or 810.2 recognizance prior to the expiry of any provincial or federal sentence order, when the individual remains at high risk for recidivism.

Adult Custody

- The *Correction Act* and Correction Act Regulation provide the legal authority to admit and supervise the treatment, conduct and discipline of individuals detained in custody.
- The average length of stay in custody is 74 days for sentenced individuals and 54 days for remanded individuals.
- A remanded individual is someone who has been denied bail, or is unable to perfect bail, and is therefore remanded to a provincial correctional centre pending the outcome of their court case.

- A sentenced individual is someone who has pleaded guilty or been found guilty and has been ordered to serve a sentence of imprisonment. If the sentence is less than two years, they serve it in a provincial correctional centre; if the sentence is two years or more, they serve it in a federal penitentiary.
- BC Corrections centre staff ensure no individual is admitted to custody without a valid holding document. Examples of authority documents include, but are not limited to, the following:
 - Warrant remanding a prisoner or order for remand – s. 516 and 537 of the Criminal Code;
 - Assessment order – s. 672.13 of the Criminal Code;
 - Warrant of committal (specifies length of custodial sentence) – s. 545, 550, 570, 672.57, 672.7(2), 708, 773, 806, 810, 810.1 and 827 of the Criminal Code;
 - Fine and in default warrant of committal – s. 734.7 of the Criminal Code;
 - Parole Board of Canada – a warrant issued by a member of the Parole Board of Canada or a judge, suspending, revoking or forfeiting mandatory supervision or parole.
- BC Corrections is unable to hold an individual in custody for a term longer than the authorizing document, regardless of risk associated with the individual. An individual serving a custodial disposition will be released from a provincial correctional centre upon the completion of their sentence. An individual who is remanded will be released from a provincial correctional centre upon the conclusion of their court file, unless a custodial disposition is received.

Ministry of Public Safety and Solicitor General
BC CORRECTIONS: NOTIFICATIONS – PROCEDURES AND AUTHORITY

- As part of the effective management of individuals sentenced to community supervision, BC Corrections may issue a notice to the public.
- BC Corrections undertakes a rigorous risk assessment process and evaluation of circumstances to determine when notifications need to be conducted, and who will be notified based on the following considerations:
 - An individual’s unique offence history and risk profile factors;
 - What case management measures and court ordered conditions are in place that mitigate the potential risk to public safety;
 - Whether another agency (e.g., police) is issuing a notification; and
 - Whether circumstances warrant a public notification or a more limited notification to adequately address risk.
- Notifications may be made to an individual, group, community or the public.
- BC Corrections is legally required to consider the privacy rights of the individual. However, if there is a significant concern about public safety, BC Corrections may issue a notification so that the public is aware of an individual’s risk level and court-ordered conditions.
- BC Corrections has the authority to complete the following two types of notifications:
 - **Compelling Circumstance** – (FOIPPA Section 33.1(1)(m)): notice to a specific individual or group deemed to be at-risk – does not involve a media release; and
 - **Public** – (FOIPPA Section 25): province-wide or geographically specific (e.g., community) – involves a media release with details of the individual’s profile to all media sources within the notification area.
- Section 25 of FOIPPA stipulates that public notifications are mandatory when a risk of significant harm exists. Compelling circumstance notifications are completed at the discretion of the ministry and/or police agencies.
- Generally speaking, BC Corrections only undertakes public notifications when the relevant police agency indicates they do not have capacity, time or expertise to undertake the notification; or police do not agree with our assessment of risk and decline to conduct a notification themselves.

Ministry of Public Safety and Solicitor General
BC CORRECTIONS: CRITICAL INCIDENT REVIEW PROCESS

- A critical incident review (CIR) is a formal process, initiated by the Assistant Deputy Minister, BC Corrections, to investigate incidents that may have a significant impact on a correctional centre or community corrections office, or may affect operations.
- Incidents that may be the subject of a CIR include: death of an inmate; escape from custody; serious assault of inmate or staff; inmate disturbance; and, serious incident involving a community client where harm or potential harm to staff or the public has occurred.
- A CIR examines the facts of the incident, relevant history of contributing factors, and possible cause(s), and where appropriate, makes recommendations to avoid or reduce the likelihood of a similar future incident.
- The Critical Incident Review team includes BC Corrections' managers, a member of the local Community Advisory Board, a member of the Provincial Health Services Authority – Correctional Health Services team, and an inspector from the independent Investigation and Standards Office who participates as an observer with standing. Other participants may include regulatory / statutory agencies, or experts in other fields as needed.
- The review process begins within seven days of the incident and the report is submitted to the assistant deputy minister and the responsible provincial director within 40 business days of the start of the review.
- The majority of CIRs are in relation to assaults and inmate deaths.
- Other incidents that do not result in a CIR may result in an Operational Review that is initiated by the provincial director or the warden to review incidents of a serious nature, or a series of events or incidents with common characteristics that might have a significant impact on operations.

Ministry of Public Safety and Solicitor General
BC CORRECTIONS: INSPECTION PROCESS

- BC Corrections conducts targeted risk management-based inspections, reviews and investigations of specific matters or business areas as directed by the Assistant Deputy Minister, BC Corrections or the Provincial Director, Adult Custody Division.
- These are robust inspections that thoroughly examine policy and procedure to ensure compliance with legislation and policy and to support continual advancement of correctional practice from administrative processes to supervision and care.
- Inspections of correctional centres may relate to:
 - A part or the whole of a centre's operation.
 - A specific area, function or subject matter at one or more correctional centres; and/or
 - Any matter or class of matters when directed by the Provincial Director, Adult Custody Division.
- Areas identified for inspections include:
 - segregation, separate confinement, complex needs units and supported integration placement
 - classification, case management and alternative living units (e.g. right living communities and no-violence units)
 - mandatory inspections (e.g., WorkSafeBC requirements)
 - emergency response team
 - scheduling and training
 - internal centre-based intelligence
 - operations/use of force
 - human resources programs
 - admission and discharge
 - business and finance
- The Investigation and Standards Office (ISO) within the Ministry of Attorney General also has a mandate to conduct inspections of B.C. provincial correctional centres. ISO began conducting on-site inspections in September 2023, and as of July 2024, has inspected five B.C. provincial correctional centres.
- Work remains underway with the ISO to fully implement an independent external inspection process in accordance with a recommendation from the 2016 Ombudsperson report on BC Corrections' inspection process.

- In addition to ISO inspections, BC Corrections welcomes regular visits from the Ombudsperson and ongoing inspections from WorkSafeBC and other regulatory agencies to support transparency and accountability.

**Ministry of Public Safety and Solicitor General
BC CORRECTIONS: INMATE / CLIENT COMPLAINT PROCESS**

Inmate Complaint Process

- The complaint process for incarcerated individuals is outlined in Section 37 of the Correction Act Regulation.
- Upon admission, all individuals are informed of how to file a complaint with the person in charge (warden) and the Director of the Investigation and Standards Office (ISO).
- Posters explaining the complaint process are posted in every living unit to ensure individuals are aware of the complaint process.
- If the complaint cannot be resolved informally with correctional staff, individuals may make a formal complaint to the warden. All complaints to the warden are investigated and responses are provided in writing within seven days of receipt of the complaint.
- If an individual is unsatisfied with the outcome of the warden’s investigation, they can request a review by the Director of the ISO
- BC Corrections ensures the ISO receives all necessary documentation and information to thoroughly conduct their investigation and reviews all ISO findings or recommendations for possible changes to policy and practices.
- In 2023, the total number of written complaints to the ISO was 270 of which 47% were determined to be unsubstantiated.

Year	Total Written Complaints	Unsubstantiated	% of Unsubstantiated
2019	197	88	45%
2020	185	73	39%
2021	199	81	41%
2022	228	126	55%
2023	270	126	47%

Community Client Complaint Process

- Community Corrections clients are provided with an Invitation to Comment handout at their first appointment. This document is provided in various languages and includes contact information for the ISO and Office of the Ombudsperson. The handout provides step-by-step instructions for the complaint process, as follows:
 - If the client has a complaint, they should first discuss their concerns with their probation officer. If they are unsatisfied with the response, they can speak with the local manager, and then if required, speak to the regional director.
 - If these conversations do not resolve the complaint, the client may contact the ISO and/or the Office of the Ombudsperson.

Ministry of Public Safety and Solicitor General

Agencies, Authorities, Boards and Crown Corporations

Ministry of Public Safety and Solicitor General
AGENCIES, AUTHORITIES, BOARDS and CROWN CORPORATIONS

Insurance Corporation of British Columbia

Mandate:

The Insurance Corporation of British Columbia (ICBC) is a provincial Crown corporation which provides universal compulsory (Basic) automobile insurance, regulated by the British Columbia Utilities Commission, for all B.C. motorists.

ICBC is one of B.C.'s largest corporations and one of Canada's largest property and casualty insurers. Its insurance products and services are available through a province-wide network of approximately 900 independent brokers, government agents and appointed agents. Each year, ICBC processes approximately one million claim coverages through a 24-hour telephone claims handling service and online claims reporting. ICBC has a presence in communities throughout the province and works with material damage suppliers (e.g., collision and glass repair shops) and healthcare professionals to help customers after a crash.

ICBC competes with private insurance companies to offer various Optional vehicle insurance coverages. ICBC also provides a number of non-insurance services on behalf of the provincial government, including driver licensing, vehicle registration and licensing, and fines collection. The Board has the power and authority given to it by the *Insurance Corporation Act* and subject to the Act it manages and supervises the affairs and business of ICBC.

The Crown Agencies Secretariat supports the Minister responsible for ICBC.

Organized Crime Agency of British Columbia

Mandate:

Responsible for "*Providing designated Policing and designated Law Enforcement to reduce and eliminate organized crime and other significant criminal activity in British Columbia*".

The Organized Crime Agency of British Columbia (OCABC) was established in 1999 as a Designated Policing Unit (DPU) through a Ministerial Order under the authority of the *Police Act* (B.C.) to facilitate the disruption and suppression of organized crime which affects British Columbians. OCABC was created in direct response to the recommendations of the report of the Organized Crime Independent Review Committee, chaired by Mr. Stephen Owen, Q.C. ("The Owen Report"). The Agency was incorporated as a Society in 1999 under the BC *Police Act* to replace its forerunner, the Coordinated Law Enforcement Unit (CLEU).

OCABC became fully operational in February 2000, similar in structure and authority to other municipal police departments in B.C. As a designated Police Agency, it has its own contingent of sworn law enforcement officers and civilian personnel. It was a stand-alone law enforcement agency from its inception in 1999 until 2005 when, by agreement, it became a signatory of a Memorandum of Understanding (MOU) with the RCMP and the Combined Forces Special Enforcement Unit – BC (CFSEU-BC). This restructuring aligned OCABC with CFSEU-BC.

The Board of Governance is the Joint Management Team model for which the OCABC and the CFSEU-BC are accountable to. The Board of Governance is chaired by the Commanding Officer of the RCMP "E" Division and consists of the Criminal Operations Officer for the RCMP "E" Division, the Chief Constable of the Vancouver Police Department (VPD), a Municipal Chief Constable of the Vancouver Island area, a Municipal Chief Constable of the Lower Mainland area, a senior RCMP Commissioned Officer from the District areas served by the CFSEU-BC, the RCMP Lower Mainland District Commander, and the Assistant Deputy Minister and Director of Police Services Division. The Board of Governance meets on a quarterly basis and typically guides matters related to strategic direction, business practices and financial matters.

Police Boards

In British Columbia, independent municipal police departments are overseen by appointed police boards made up of civilian members of the community. The role of police boards is to provide general direction to the department, in accordance with relevant legislation and in response to community needs.

Consumer Protection BC

Consumer Protection BC was established in 2004 under the *Business Practices and Consumer Protection Authority Act* and, as delegated by the provincial government, is responsible for administering British Columbia's consumer protection laws, namely the *Business Practices and Consumer Protection Act*, the *Cremation, Interment and Funeral Services Act*, and the *Motion Picture Act*, along with a variety of associated consumer protection regulations. It is a not-for-profit corporation that protects consumers and encourages a fair marketplace in the province.

Vehicle Sales Authority of British Columbia

The Vehicle Sales Authority of British Columbia is an administrative authority delegated by the provincial government to administer and enforce the *Motor Dealer Act* and its regulations, the *Business Practices and Consumer Protection Act* as it relates to the sale of motor vehicles, and other related statutes. Founded in 2004 and formerly named the Motor Dealer Council of BC, the agency became one of the first examples of government's new approach for administering public policy through a delegated administrative authority.

Crown Agencies Secretariat

MINISTRY PROFILE

Ministry: Crown Agencies Secretariat

Ministry Mandate:

The Crown Agencies Secretariat (CAS) supports public sector organizations (PSOs) to operate effectively, in the public interest and aligned with government strategic direction and priorities. There are about 250 PSOs in BC, which include Crown agencies, boards, commissions, tribunals, advisory bodies, independent authorities and societies. PSOs deliver public services to the people of BC and collectively provide stewardship of almost two-thirds of the provincial budget.

As a central agency, CAS is strategically positioned and has unique expertise in public sector governance. It operates in a dynamic environment, ensuring PSO alignment with government's strategic direction. CAS's role enables Ministries and their respective PSOs to quickly respond to new and emerging government priorities and ensures changes in PSO mandates are effectively implemented. CAS provides a whole-of-government perspective on supporting PSOs and makes sure the public's interest is considered. CAS accomplishes this through providing the following services and supports:

- **Board Appointments and Development.** CAS oversees the recruitment and recommendation of candidates for appointments to PSO boards. CAS also provides public sector governance advice and training to board members. Through this, CAS supports boards in their role to ensure PSOs are governed in the public interest and fulfill their mandate to British Columbians.
- **Performance, Planning and Reporting.** CAS develops all crown agency mandate letters and coordinates and oversees the development of crown agency and ministry service plans and annual service plan reports. These are tools that PSOs and government use to work together to plan and communicate their business, direction and priorities with the public.
- **Primary Liaison for Select PSOs.** CAS is the primary liaison for the Insurance Corporation of BC (ICBC), the BC Lottery Corporation (BCLC), the Liquor Distribution Branch (LDB) and the BC Ferry Authority (BCFA). As primary liaison, CAS provides support to the minister responsible for the PSO to ensure that the organization is operating effectively, in the public interest, and aligned with government's strategic direction and priorities as well as supporting these PSOs in aligning to government's direction.
- **PSO Sector Communications and Governance Support.** CAS provides outreach and support to PSOs to achieve their mandate in alignment with government's strategic direction and priorities. This includes leading communication to PSOs on behalf of government; coordinating governance-related training; and providing advice and support to ministries and PSOs on governance best practices and government priorities.

Full Time Equivalents (FTEs): 42

Executive Organizational Chart:



**LDB is a separate entity from the Crown Agencies Secretariat, but reports through to the Associate Deputy Minister. See the LDB Profile for further information on their executive organizational structure.*

Budget:

Core Business Area	2023/24 Restated Estimates	2024/25 Estimates	2025/26 Plan	2026/27 Plan
Operating Expenses (\$000)				
Crown Agencies Secretariat	7,513	8,243	8,243	8,243

Note that the Crown Agencies Secretariat’s budget is included as a line in the 2024/25 - 2026/27 Ministry of Finance’s Service Plan.

EXECUTIVE MEMBER BIOGRAPHY



Name: Mary Sue Maloughney

Title: Associate Deputy Minister, Crown Agencies Secretariat

Ministry: Finance

Biography:

Mary Sue Maloughney was appointed the Associate Deputy Minister of the Crown Agencies Secretariat (CAS) in May 2023. She has over 25 years of experience in the BC Public Service, having held leadership roles in various ministries and sectors in positions that ranged from policy, legislation and negotiations to operations. Prior to joining CAS, Mary Sue was Associate Deputy Minister and Chief Operating Officer (COO) at the Ministry of Emergency Management and Climate Readiness. During her time with EMCR, she provided leadership and guidance to advance EMCR's mandate at a critical time and leading up to the establishment of EMCR as a stand-alone Ministry.

Previously, Mary Sue was ADM and General Manager for the Liquor and Cannabis Regulation Branch where she led her team through liquor reforms in support of public health and industry through COVID-19, as well as streamlining the cannabis licensing process post legalization. Before that Mary Sue played a leadership role in the setup of the province's first Ministry of Mental Health and Addictions and directed important work to advance B.C.'s mental health strategy as the ADM of Strategic Planning, Partnership and Research. Mary Sue also led the BC Wildfire Service over the 2015 and 2017 wildfire seasons as the ADM, Integrated Resource Operations at FLNR.

EXECUTIVE MEMBER BIOGRAPHY



Name: Tracee Schmidt

Title: Assistant Deputy Minister, Crown Agencies Secretariat (CAS)

Ministry: Finance

Biography:

Tracee Schmidt was appointed as the Assistant Deputy Minister and Executive Financial Officer for CAS in October 2023. She has over 30 years of progressive leadership experience within the BC Public Service across multiple ministries, in diverse areas such as policy, stakeholder relations, Treasury Board operations, and complex project delivery. She has a passion for strategy, change management, good governance, and building high performing teams.

In addition to her Executive Financial Officer accountabilities, Tracee also oversees the BC Lottery Corporation and Liquor Distribution Branch. Previously Tracee was with the Ministry of Mental Health and Addictions where she was the Executive Financial Officer and Executive Lead for strategic HR, strategic planning, and stakeholder engagement and communications.

Other roles have included: establishing cross-ministry governance for high-risk projects during a period of intense scrutiny from the Auditor General and media; developing the first 10 year \$10 billion capital plan for Treasury Board; leading the implementation of the BC Services Card; and moving government to a common tool for measuring employee satisfaction (Work Environment Survey). Tracee's career path has woven through many areas of government including: Finance (Treasury Board Staff and CAS), Mental Health and Addictions, Citizens' Services, Infrastructure BC (Crown), the BC Public Service Agency, Health, Attorney General / Public Safety, and the former Ministry of Social Services.

Tracee holds a Master of Business Administration and a Bachelor of Arts in Sociology (Hons).

EXECUTIVE MEMBER BIOGRAPHY



Name: Toby Louie

Title: Executive Lead, Crown Agencies Secretariat

Ministry: Finance

Biography:

Toby Louie joined the Crown Agencies Secretariat as an Executive Lead in April 2022. In the role, he is responsible for overseeing the Insurance Corporation of BC and supporting other crown agencies of strategic importance to government. Previously, Toby served as the Executive Director and Corporate Secretary for the BC Ferry Authority, the sole-voting shareholder for BC Ferries.

Toby has been in the BC public service for over 30 years, almost entirely in the justice and public safety sector and served in various policy, planning, and communications roles. His past responsibilities included leading consumer protection policy; overseeing delegated consumer protection agencies; managing a ministry's legislation program; leading ministry strategic planning; developing corporate policy and strategic initiatives; and issues management. Toby graduated from the University of Victoria with a Bachelor of Arts in Economics and a Master's degree in Public Administration.

EXECUTIVE MEMBER BIOGRAPHY



Name: Blain Lawson

Title: CEO and General Manager, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Blain Lawson has been the General Manager and Chief Executive Officer of the Liquor Distribution Branch (LDB) since 2013, overseeing a retail and wholesale beverage alcohol business and, since 2018, a retail and wholesale non-medical cannabis business. Both lines of business operate province-wide within a mixed public-private model. The LDB has a workforce of nearly 5,600 full- and part-time employees. Blain has overseen several large business transformation initiatives across the organization, including the separation of the LDB's wholesale and retail lines of business in 2015, the launch of LDB Cannabis Operations in 2018 and the implementation of hospitality pricing in 2021, a significant policy change that permitted liquor hospitality customers to purchase product from the LDB at wholesale price.

Blain's background in the retail sector has been extensive; he served as president and CEO for Coast Wholesale Appliances, where he was successful at moving the organization forward through challenging economic times and led the conversion of the company from an Income Trust to a Corporation. Prior to that, Blain worked at Hudson's Bay in Toronto for just over a decade, heading Merchandising for home furnishings and décor, pharmacy, men's and children's apparel and licensed departments. He also led and managed the Home Outfitters division, setting the strategic direction and overseeing operations. Blain was born and raised in Brockville, Ontario and is a graduate of Carleton University.

EXECUTIVE MEMBER BIOGRAPHY



Name: Vanessa Geary

Title: Senior Executive Lead, Crown Agencies Secretariat

Ministry: Finance

Biography:

Vanessa has been with the Crown Agencies Secretariat since July 2021 and oversees the recruitment and recommendation of candidates for appointments to crown corporations, agencies, boards and commissions. Vanessa brings a focus on good governance in the public interest and ensuring that boards have the diversity in skills, experience and perspective needed to be representative and effective.

She has held senior leadership roles in the Office of the Premier, the Office of the Mayor of the City of Vancouver, the British Columbia General Employees' Union (BCGEU) and Vancity. Vanessa has served on a number of non-profit boards including the Eastside Culture Crawl Society and McLaren Housing Society and the Mole Hill Community Housing Society, including as Chair.

Vanessa holds a Bachelor of Arts in International Relations and a Master of Arts, School of Community and Regional Planning from the University of British Columbia.

Insurance Corporation of BC

**Ministry of Public Safety and Solicitor General
Minister's Transition Book**

**ICBC
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CROWN AGENCY PROFILE

Name: Insurance Corporation of BC (ICBC)

Legislative Authority:

Insurance Corporation Act, Insurance (Vehicle) Act, Motor Vehicle Act, and Commercial Transport Act.

Mandate:

The Insurance Corporation of British Columbia (ICBC) is a provincial Crown corporation which provides universal compulsory (Basic) automobile insurance, regulated by the British Columbia Utilities Commission (BCUC), for all BC motorists.

ICBC is one of B.C.'s largest corporations and one of Canada's largest property and casualty insurers. Its insurance products and services are available through a province-wide network of approximately 900 independent brokers, government agents and appointed agents. Each year, ICBC processes approximately 1 million claims through a 24-hour telephone claims handling service and online claims reporting. ICBC has a presence in communities throughout the province and works with material damage suppliers (e.g., collision and glass repair shops) and healthcare professionals to help customers after a crash.

ICBC competes with private insurance companies to offer various Optional vehicle insurance coverages. ICBC also provides a number of non-insurance services on behalf of the provincial government, including driver licensing, vehicle registration and licensing, and fines collection. The Board has the power and authority given to it by the *Insurance Corporation Act* and subject to the Act it manages and supervises the affairs and business of ICBC.

The Crown Agencies Secretariat (CAS) supports the Minister responsible for ICBC.

Current Appointees:

Name	Position	Appointment	
		Start	End
Catherine Holt	Chair	01/07/2022	31/07/2027
Jennie Moushos	Director	31/07/2021	31/12/2025
Janet Wood	Director	16/04/2022	16/04/2025
Paulette Flamond	Director	31/07/2022	31/07/2025
Allan Seckel, K.C.	Director	31/07/2022	31/12/2027
Bonnie Pearson	Director	31/07/2023	31/12/2024
Chris (Syeta'xtn) Lewis	Director	13/03/2023	31/12/2024
Salima Remtulla	Director	31/03/2023	31/12/2024
Len Boggio	Director	13/03/2023	31/12/2024
Bill Tilford	Director	13/03/2024	31/12/2024
Bill Sundhu	Director	17/06/2024	31/12/2025

Name	Position	Appointment	
		Start	End
Juanita Lohmeyer	Director	17/06/2024	31/12/2025
Donna Wilson	Director	17/06/2025	31/12/2025

Appointments required:

- **Four reappointments for decision prior to December 31, 2024.** Advice/Recommendations; Personal Information
- **One potential vacancy.** Advice/Recommendations; Personal Information

Issue(s):

- N/A

Organizational Chart:



Insurance Corporation of British Columbia

2024/25 – 2026/27 Service Plan

February 2024



For more information on the Insurance Corporation of British Columbia contact:

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Or visit our website at

icbc.com

Published by the Insurance Corporation of British Columbia

Board Chair's Accountability Statement



The 2024/25 – 2026/27 Insurance Corporation of British Columbia (ICBC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 2024 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, ICBC's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of ICBC's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink that reads "C Holt". The signature is written in a cursive, flowing style.

Catherine Holt
Board Chair, ICBC
February 6, 2024

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Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 service plan outlines how ICBC will support the government's priorities and selected action items identified in the most recent ICBC [Mandate Letter](#). ICBC insures every British Columbian driver with its Basic insurance and many drivers with its Optional products. ICBC is dedicated to providing affordable insurance products and services that customers value, in support of the B.C. Government's commitment to make life more affordable for British Columbians.

With the October 2023 [British Columbia Utilities Commission](#) (BCUC) approval of no Basic rate changes for two years, British Columbian drivers will benefit from five years with no Basic rate increases. In June 2023, the expansion of Optional insurance discounts for customers who drive less also improves affordability for those customers, giving British Columbians more control over their insurance premiums.

ICBC is meeting the government priority for affordability as outlined in the 2023 Mandate Letter, as well as other priorities, and is working towards their completion.

ICBC is committed to its customers and is developing a customer experience model across the organization that will ensure customers' interactions with ICBC are straightforward and helpful. Implementation of this model will begin in 2024/25, with improvements being made on an ongoing basis.

Purpose of the Organization and Alignment with Government Priorities

As a B.C. Crown corporation, ICBC reports to the Minister of Public Safety and Solicitor General, the Hon. Mike Farnworth. It is mandated by the [Insurance Corporation Act](#), [Insurance \(Vehicle\) Act](#) and [Motor Vehicle Act](#) to provide universal compulsory auto insurance (Basic insurance) to drivers in B.C., with Basic insurance rates regulated by the BCUC. In addition, ICBC provides British Columbians with [Optional auto insurance products](#).

ICBC also provides several non-insurance services on the provincial government's behalf, including vehicle registration and licensing, driver licensing and fines collection, and issuing the [B.C. Services Card](#).

ICBC champions a safe driving culture by working with communities, law enforcement and other stakeholders on various road safety campaigns and initiatives. As one of B.C.'s largest corporations and one of Canada's largest property and casualty insurers, its insurance products and services are available through a province-wide network of approximately 900 independent brokers, 67 driver licensing agents and 29 Service BC offices. Each year, ICBC processes approximately 760,000 claims through online claims reporting and a 24-hour telephone claims handling service. It works with auto repairers and healthcare professionals throughout the province to support customers after a crash.

Enhanced Care launched in May 2021 and by removing the adversarial approach of suing drivers, significantly lowered insurance premiums while redirecting funds away from the legal system and towards helping people get better. Enhanced Care is a relatively new system and ICBC continues to support employees to have the right knowledge, skills and tools to facilitate the best customer outcomes. In addition, more insights and analytics are being embedded into the system to improve file handling.

Road safety is one of ICBC's key priorities and the company will continue to work with partners to reduce crashes in support of the safety of British Columbians and to reduce rate pressures.

Operating Environment

ICBC is a self-funded entity, prudently managing the insurance business to deliver high quality and affordable auto insurance to British Columbians. As a large and complex Crown corporation, ICBC must work to maintain its business agility so that it can adapt quickly to the changing environment and public expectations.

ICBC faces various external risks, including approximately \$7 billion in outstanding injury claims from crashes that occurred under the previous, legal-based insurance model that must be settled and paid. Ongoing claim handling processes and strategies are being used to manage and reduce the number of open legal-based claims.

Having enough actuarial data is a critical component in accurate financial forecasts. ICBC collaborates with insurers in jurisdictions with comparable care models to improve its Enhanced Care cost forecasts. However, the corporation's own baseline data will, gradually over time, provide ICBC with more certainty as to the full magnitude of future injury claims costs.

Inflation in auto repair costs remained high in 2023 and is expected to persist over the near term because of the repair technician shortage. It typically takes several years to train a technician to be proficient at providing safe, proper repairs. Despite ICBC's ability to repair vehicles at a lower cost than in most other jurisdictions, parts cost inflation, reduced parts availability, more sophisticated vehicle technology, and repair technician shortages are all increasing the risk of higher repair costs. ICBC is offsetting some of that pressure in a number of ways on an ongoing basis. One tactic is working with the repair industry to attract and retain workers, a program called Labour, Education, Training & Safety (LETS). ICBC is also leveraging new technology. Artificial intelligence is cautiously being used in the claims process;

the company has developed a framework to support decision-making and best practices to ensure it uses these tools in a trustworthy and responsible way in alignment with current government guidance. Volatility in the global investment market poses significant risk to ICBC's financial outlook. ICBC relies on investments to offset claims costs, reduce rates and strengthen its long-term financial sustainability.

ICBC's objectives for managing capital are to maintain financial strength, including the management of ongoing business risks and protection of its ability to meet the obligations to policyholders and others. Although recent market volatility has impacted ICBC's net income and capital levels, ICBC's financial reserves are adequate to absorb adverse events.

ICBC must deal with extreme weather events; the purchase of reinsurance is one of the ways it offsets the risk of large catastrophic events such as earthquakes. ICBC is also doing its part to address climate change by actioning its Environmental, Social, and Governance (ESG) Action Plan. After achieving its 2020 target to reduce its operational emissions by 33 percent in 2015 (baseline year 2007), ICBC set and is working towards new goals: reduce building emissions by 50 percent, fleet emissions by 77 percent, and paper emissions by 43 percent (all baselines 2010). More broadly, ICBC provides discounts on its Optional insurance to those who drive less than 10,000 kilometres per year, thus incentivizing customers to drive less and decrease B.C.'s environmental impact.

The company must adapt to societal trends. New vehicle technology, population growth and the changing driving needs of British Columbians require ICBC to evolve. Trends are studied closely and help inform policy and product decisions. For example, ICBC is exploring options to introduce more usage-based products in the coming years, so that Optional insurance customers who drive less will pay less for their insurance.

Internally, a significant risk faced by ICBC is maintaining a high-performing workforce that is engaged and productive. ICBC values its employees and, through its people strategy, is taking action to better support and retain them.

The multi-year people strategy represents ICBC's commitment to shape its future for an engaged, empowered and diverse workforce. The strategy aims to strengthen employee well-being and engagement by continuing to enhance the employee experience, provide more opportunities for learning and career development, modernize our HR system and programs, and more.

ICBC acknowledges its role in perpetuating colonial policies and practices and has committed to advancing Reconciliation within the organization and outside. To help support this work, ICBC is increasing its recruitment focus to seek out Indigenous applicants and expects to finalize an Indigenous Reconciliation framework report in 2024 informed by outreach to all Nations across the province. A Reconciliation action plan will align its policies with the [United Nations Declaration on the Rights of Indigenous Peoples](#), [Canada's Truth and Reconciliation Commission Calls to Action](#), and [B.C.'s Declaration Act Action Plan](#).

ICBC's [Diversity, Equity and Inclusion Strategic Action Plan](#) aims to promote diversity within its workforce, create an inclusive working environment, and ensure fair treatment for employees

and customers. ICBC will ensure a diverse and inclusive work environment free of discrimination and in which all employees and customers are treated with dignity and respect by identifying and removing barriers to full and fair participation and by providing respectful workplace training to all employees.

Overall, ICBC has performed well in recent years and forecasts another year of careful financial management and delivery of reliable service to customers. With continued thoughtful planning and decision-making, ICBC is well positioned to build on recent successes to overcome its risks and challenges as it serves British Columbians.

Performance Planning

ICBC is developing a new corporate strategy, which may result in changes to the goals, objectives, and performance measures and targets in next year's Service Plan (2025/26-2027/28).

Goal 1: To Make Insurance Affordable

ICBC is committed to delivering an affordable and sustainable insurance system for British Columbians.

Objective 1.1: Make insurance more affordable by reducing claims costs and legal expenses

The 2023 [mandate letter](#) sent to ICBC from the Minister of Public Safety directed ICBC to “continue to support the government’s priority to keep automobile insurance rates affordable for British Columbians while ensuring the financial stability of the corporation, including identifying and delivering on mitigations that will help reduce pressures on automobile rates.” To support this priority, ICBC continues to monitor and make improvements to the [Enhanced Care](#) model launched in May 2021. Enhanced Care has moved B.C.’s. auto insurance to a system that is more affordable, sustainable, and focused on injury recovery. ICBC continues to focus on repairing vehicles in a cost-effective manner and on industry partner collaborations that put customers first.

Key Strategies

- Improve health outcomes through our Enhanced Care model.
- Manage costs associated with legal-based claims.
- Manage escalating vehicle repair costs.

Discussion

Strategy 1: Improve health outcomes through our Enhanced Care model

In addition to providing better care for customers, ICBC’s Enhanced Care model improves affordability by removing legal costs from the system. This has enabled a greater percentage of claims costs to go back to customers to fund the necessary treatments and benefits they require for their recovery.

To ensure Enhanced Care’s ongoing success, ICBC continues to focus on supporting its people in having the right knowledge, skills and tools to empower customers in their recovery journey. This journey prioritizes the customer experience while aligning medical treatments with evidence-based research to help them return to their daily lives faster. ICBC will continue to work with healthcare providers to improve customer recovery outcomes while supporting affordability goals.

Strategy 2: Manage costs associated with legal-based claims

While Enhanced Care has removed significant legal costs from the auto insurance system, ICBC continues to manage the legal-based book of claims for crashes that occurred before the implementation of Enhanced Care on May 1, 2021. The number of pending bodily injury claims from pre-May 1, 2021, continues to drop as ICBC's legal based team has focused on expediting resolution of these claims. The legal-based files remaining are often complex and the current estimate for these claims is approximately \$7 billion, which is down from \$9 billion at last year. Ongoing file management strategies including predictive modeling and analytics, are critical elements to manage these claims.

Strategy 3: Manage escalating vehicle repair costs

Trends in B.C. vehicle repair costs continue to rise, similar to other jurisdictions in Canada and the United States. All jurisdictions are dealing with three key drivers of claims costs; firstly, newer vehicles are more complex and therefore more expensive to repair, including electric vehicles (EVs). British Columbia has the highest adoption of EVs compared the rest of Canada¹, contributing to the increase in the average cost to repair.¹ Current high inflation rates also contribute to this trend as they affect the cost of parts and materials used in repairs. Secondly, a shortage of vehicle repair technicians is reducing industry capacity, resulting in longer delays for customers and higher storage and rental costs for ICBC. Lastly, supply chain challenges continue, and while better than in past years, are not back to pre-COVID-19 levels. Although ICBC is facing the same trends affecting other jurisdictions, ICBC's average repair cost is amongst the lowest in Canada.

Since 2020, ICBC has experienced a decline in repair facilities through the Collision Repair Program, leading to fewer repair shops available to service customers. Industry analysis cites high interest rates, high inflation, retirements, and technician shortages as the primary reasons for shop closures. To address this trend, in 2022 ICBC announced a new repair rate framework to increase labour rates over three years. At the same time, ICBC also introduced several apprentice support [initiatives](#) for the repair industry, such as a tool grant for apprentices, a coaching and mentoring grant for shops, a training program on shop culture, and a commitment to providing newer vehicles to training schools for apprentices to learn on, collectively called LETS. ICBC continues to balance industry supply with rising claims costs.

To create internal estimator capacity, reduce cost and subjectivity, ICBC is implementing an artificial intelligence (AI) system to review vehicle damage submissions, helping increase the efficiency and effectiveness of the process. The new AI system will allow ICBC to focus on the highest risk vehicle damage submissions. ICBC has developed a decision-making framework to ensure AI is used in a responsible way and in alignment with current government guidance.

¹Data source: [B.C. making it easier to buy zero-emission vehicles | BC Gov News](#)

Performance Measures

Jurisdictional comparison of year-over-year rate changes

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1a] Jurisdictional comparison of year-over-year rate changes	ICBC's Rate Change is 1.7 percentage points less than the Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark			

Data source: The private passenger vehicle (PPV) provincial benchmark and ICBC's Personal rate change represent the overall rate level change that PPV/Personal customers experienced in fiscal year 2022/23. The PPV provincial benchmark is from Canadian jurisdictions that have publicly available rate change information: Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick. Note that Manitoba includes some Commercial vehicles in their private passenger net written premium.

Discussion

ICBC is lower than the benchmark for 2022/23 mainly because there was no increase to Basic rates in 2022/23. This was part of its 23-month Basic rate filing to BCUC following the implementation of Enhanced Care, on May 1, 2021. A key measure of affordability is year-over-year changes in insurance rates. ICBC's rate affordability is evaluated each year against a Provincial Rate Change Benchmark, calculated using a weighted average of published rate changes implemented in other provinces.

Percentage of claims costs that goes to customers

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1b] Percentage of claims costs that goes to customers	96.2%	96.0%	95.9%	95.9%	95.9%

Data source: Analysis of ICBC-incurred claims

Discussion

The cost for ICBC to resolve a claim includes costs that support an injured customer's recovery, costs for vehicle repair or replacement, and costs of administering the claim (such as towing and storing vehicles, managing payments to treatment providers, and investigating fraud). Additionally, for crashes involving ICBC customers outside of B.C., where a customer could hire a lawyer, ICBC pays for legal fees and litigation costs (such as medical examinations and expert reports).

This performance measure is determined by costs paid to customers to support their recovery and to repair or replace their vehicle. It does not include amounts that customers pay for legal representation and expert reports, or the amounts paid to manage and settle claims, including

litigation costs. ICBC expects the percentage of claims costs going to customers in future years to remain relatively stable under Enhanced Care.

Average cost for a vehicle-related claim

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[1c] Average cost for a vehicle-related claim	\$6,314	\$7,200	\$7,876	\$8,477	\$9,092

Data source: ICBC claims database

Discussion

This measures the combined average cost for all material damage claims (excluding glass claims) for ICBC’s main insurance products. ICBC continues to navigate challenges related to the cost of repairing vehicles. In 2022/23, repair costs rose to a higher level than had been previously forecast, driven by inflationary pressures, supply chain challenges, and repair capacity challenges that continue to affect the entire industry. As these pressures continue to escalate, the outlook for 2023/24 and targets for future years are also higher than previous forecast. However, the forecast would be even higher if not for the measures ICBC has taken and will continue to take to manage vehicle repair costs. For example, ICBC is partnering with its repair network to ensure far more parts are safely repaired than the more expensive option of part replacement.

Goal 2: To Be Customer Driven

ICBC aims to be customer driven and more flexible, with customer needs driving improvements in the design and delivery of its products and services.

Objective 2.1: Be more flexible, with customer needs driving improvements in the design and delivery of products and services

In alignment with the principles and priorities outlined in its mandate letters, ICBC will “develop and implement corporation-wide strategies to improve ICBC’s customer experience, perceptions and interactions with the corporation while achieving cost-effective service delivery and effectively communicating the corporation’s work to serve all British Columbians.” ICBC will continue to evolve products and services to meet the changing needs and expectations of its customers.

Key Strategies

- Implement ICBC’s customer experience model across the organization.
- Introduce usage-based products.

Discussion

Strategy 1: Implement ICBC’s customer experience model across the organization

ICBC is developing and implementing a customer experience model across the organization that ensures customers have interactions with ICBC that are straightforward and helpful. The model will seek to enhance customer insights and resolve pain points. In 2024/25, ICBC will continue to focus on improving customer communications, increasing online services, and improving customer experience management capabilities. ICBC will continue to build on changes to claims handling processes to improve the customer experience when working with people injured in a crash, including pedestrians and cyclists.

Strategy 2: Introduce usage-based products

Usage-based products are insurance products that reflect vehicle usage such as distance traveled. These products are valued by customers who want insurance that reflects how much they are driving. ICBC is exploring options to introduce more usage-based products in the coming years, informed by customer insights.

In 2023, customers driving up to 10,000 kilometres per year became eligible for discounts on select Optional insurance coverages. We are exploring changes that could mean more drivers will be eligible for discounts based on how far they drive. Customers are encouraged to provide their odometer information when purchasing or renewing their insurance as evidence of distance driven and to help them qualify for these discounts.

Performance Measures

ICBC measures customer service based on the percentage of satisfied customers for each major transaction type or service that it provides: insurance product purchase, mid-term changes and renewal; claims service; and driver licensing.

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[2a] Customer Satisfaction for Insurance Services	85%	85%	85%	86%	86%
[2b] Customer Satisfaction for Claims Services	74%	76%	74%	75%	76%
[2c] Customer Satisfaction for Driver Licensing Services	77%	74%	76%	77%	78%

Data source: An independent firm is retained to conduct ongoing surveys of customers for the purposes of monitoring transactional satisfaction.

Discussion

Insurance Services Satisfaction — Independent insurance brokers process more than four million AutoPlan policies each year. Insurance services satisfaction is measured by surveying approximately 5,000 customers over the course of a year. ICBC does not anticipate any significant changes to its insurance services in the coming year and the customer satisfaction target is set at 85 percent for 2024/25. This target is one percentage point higher than the current year's goal and aligns with previously published target for 2024/25.

Claims Service Satisfaction — ICBC processes claims through the claims call centre, claims centres and specialty departments such as commercial claims and recovery services. As well as reporting claims by telephone, customers can also report and access claim details online. Customer satisfaction for claims services is measured by surveying personal claims, averaging the results of surveys conducted after the First Notice of Loss and after claims are closed. In a typical year, approximately 14,000 surveys are completed. ICBC's claims service satisfaction target for 2024/25 is set at 74%, which is higher than 2023/24 and the previously published 2024/25 target. ICBC will seek to achieve incremental improvements of 1 percentage point in subsequent years, demonstrating its commitment to long-term improvements in customer experience.

Driver Licensing Satisfaction — Each year, ICBC conducts approximately 3.5 million counter transactions¹ related to issuing driver licences, including renewing licences and facilitating knowledge and road tests. ICBC weights this measure by the number of transactions for each type of service drawn from a sample of more than 5,000 customers surveyed throughout the year. ICBC's driver licensing satisfaction target for 2024/25 is set higher than for 2023/24 and is consistent with the previously published 2024/25 target of 76 percent. ICBC continues its significant efforts to improve services and address the increasing demand for driver licensing services.

Goal 3: To Be Smart & Efficient

ICBC will invest in data, analytics and technology to improve efficiency and make better decisions.

Objective 3.1: Invest in data, analytics and technology to improve efficiency and decision-making

ICBC will continue to actively use data, analytics and technology to make quality business decisions and improve processes as to meet its commitment to the efficient use of public resources and to affordability.

Key Strategies

- Make informed decisions using quality data.
- Integrate analytics into key claims processes.
- Streamline claims processes.

Discussion

Strategy 1: Make informed decisions using quality data

ICBC continues to invest in its data quality and governance program, optimizing processes and capabilities for effective data accessibility, data management and governance. In 2024/25, this

¹ In previous Service Plans the number of transactions was incorrectly referenced as 1.3 million. This error was attributed to accessing data from an incorrect source.

strategy will embed a culture of informed decision making that will focus on improving data literacy and other capabilities.

Strategy 2: Integrate analytics into key claims processes

Data insights and predictive modeling can improve file handling and settlement processes to effectively and proactively manage claims liabilities. In 2024/25, work under this strategy will continue to support customer services, material damage claims, legal-based claims and Enhanced Care claims.

Strategy 3: Streamline claims processes

Manual administrative work increases costs and can be a barrier to better customer service and a meaningful employee experience. By 2025, ICBC will implement digital solutions and streamlined processes for claims operations (non-Enhanced Care, i.e., claims operations excluding the injury book of business) that will enable us to operate a more cost-effective organization. This strategy will also enhance the employee experience by reducing touchpoints and duplicative tasks, and improve customer experience through self-serve capabilities, timely notifications, and digitally enabled transactions.

Performance Measures

Expense ratio

Performance Measure	2022/23 Actuals	2022/23 Actuals Restated ⁴	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[3a] Expense Ratio ^{1,2,3,5}	20.8%	21.2%	22.1%	22.4%	22.6%	22.3%

Data source: Financial performance measures are derived from actual financial information, forecasted trends and assumptions.

¹ICBC's 2022/23 Expense Ratio is lower than a comparable 2022/23 benchmark of 32.7% percent from MSA Research (benchmark includes all Canadian auto writers excluding ICBC and Saskatchewan Auto Fund and is on a calendar year basis). Note MSA data is on a calendar basis.

²ICBC's Expense Ratio includes over 3.0% for non-insurance services, which most other insurance carriers typically do not have.

³ICBC's 2022/23 Actuals Restated and the forecast years thereafter, reflect changes to the International Financial Reporting Standards ("IFRS") 9 (Financial Instruments) and 17 (Insurance Contracts), effective April 1, 2023.

⁴The 2022/23 Actuals Restated (21.2%) is higher than 2022/23 Actuals (20.8%), as acquisition costs under IFRS 17 are expensed as incurred where previously, these costs were deferred and amortized over the policy period.

⁵Performance metric terminology updated from 'Operating Expense Ratio' as presented in the 2022/23 ICBC Annual Service Plan Report. There is no change to how this metric is calculated.

Discussion

The Expense Ratio is a standard industry measure to assess the operational efficiency of an insurer. All other things being equal, a lower expense ratio is better. This ratio is calculated as a ratio of insurance expenses and non-insurance expenses (excluding claims and claims-related costs) to premiums earned. This includes both insurance and non-insurance lines of business. ICBC is unique in providing non-insurance services (driver licensing, vehicle registration and licensing, violation ticket administration and fines collections) as other insurance carriers in Canada do not typically provide these services. As ICBC continues to be

an efficient and low-cost organization, this ratio will continue to remain below the industry average. The 2022/23 actual ratio(s) reflect lower compensation costs from lower staffing levels because of recruitment challenges and delays in hiring in fiscal 2022/23. In 2023/24, ICBC has been successful in filling vacancies required to reach staffing targets to maintain service levels. The increase in staffing levels as well as increases to general inflation, salaries, benefits and expenses, has resulted in an increase to the 2023/24 expense ratio. For 2024/25 and beyond, the expense ratios are expected to stay consistent.

Loss adjustment expense ratio

Performance Measure	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[3b] Loss adjustment expense ratio	15.7%	11.2%	9.9%	9.9%	9.9%

Data source: Financial performance measures are derived from actual financial information, forecasted trends and assumptions.

Discussion

The loss adjustment expense ratio is an indicator of the efficiency of the claims settlement process and compares the cost to settle claims to total premiums earned. This measure primarily considers loss adjustment expenses on an incurred basis, which means that it represents costs for losses occurring in the current fiscal year. The higher 2022/23 actual and 2023/24 forecast are caused by increases in loss adjustment expense reserve, recognizing the higher expenses required to service the more complex legal-based claims from prior loss years that remain to be settled. With the introduction of the Enhanced Care model and the elimination of most remaining legal costs from the system, ICBC expects that the loss adjustment expense ratio will remain stable with approximately 10 percent of premiums going towards the cost of settling claims.

Goal 4: To Be Future Focused

ICBC will prepare for the future of insurance and mobility in B.C. through road safety programs and workplace practices.

Objective 4.1: Prepare for the future of insurance and mobility in B.C.

ICBC will support British Columbians as insurance and mobility continue to evolve. As the mobility landscape changes, the implementation of road safety programs to reduce crashes becomes even more critical. ICBC is committed to working with road safety stakeholders and partners to reduce the frequency and severity of crashes and ensure that roads are safer for all British Columbians. To support British Columbians through these changes, ICBC needs workplace practices that attract and retain a talented, diverse and engaged workforce.

Key Strategies

- Prevent crashes now and as mobility evolves through existing crash prevention programs and the development of future initiatives.
- Build a talented, diverse and engaged workforce that supports a business in transition.

Discussion

Strategy 1: Prevent crashes now and as mobility evolves

ICBC is committed to making B.C.'s roads safer and road safety programs are an integral part of ICBC's commitment to both leading and supporting initiatives that contribute to reducing the severity and frequency of all crashes (injury and material damage). ICBC's Road Safety programs support the globally recognized [Safe Systems Approach](#), which uses a holistic approach to prevent and minimize the impact of crashes by influencing driver behaviour through road safety campaigns, promoting safer speeds, improving the road network, and encouraging safer vehicles. ICBC will also strengthen collaboration with partners, including law enforcement, municipalities, health and provincial stakeholders.

ICBC leverages technology to continuously enhance its understanding of driver behaviours and help promote safer driving outcomes. For example, ICBC will augment its hazard perception training application, [Street Sense](#), with new driving scenarios, closed-captioning and multi-language support to help pre-drivers, young drivers and drivers new to B.C. better identify common hazards.

To anticipate trends that may influence future crashes as well as better inform the planning and design of road safety programs, ICBC is monitoring shifts in the use of vehicle technology and evolving forms of mobility. ICBC will also broaden its approach in 2024/25 to include vulnerable road users, with a specific focus on collisions with vehicles involving cyclists, pedestrians or micro-mobility users.

Strategy 2: Build a talented, diverse and engaged workforce that supports a business in transition

Work environments and the business of insurance are changing rapidly, and ICBC will continue to evolve its operating model and organizational structures to anticipate and adapt to changing needs. Its success is dependent on the ability to attract and retain a talented workforce that reflects the diversity of its customers and business partners across B.C. ICBC continues to develop programs and tools that support the overall well-being and engagement of its people, and builds a talented, diverse, and inspired workforce that delivers on its customer commitments.

Performance Measures

Employee engagement score

Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[4a] Employee engagement score	62%	66%	68%	70% ¹	70% ¹

Data source: Employee Opinion Survey conducted by an independent firm.

¹Development of employee engagement targets beyond 2025/26 are being assessed.

Diversity, Equity and Inclusion score

Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
[4b] Diversity, Equity and Inclusion index	75%	76%	77%	78% ¹	79% ¹

Data source: Employee Opinion Survey conducted by an independent firm.

¹Development of longer-term DEI index targets are being assessed.

Discussion

ICBC's Employee Opinion Survey (EOS) seeks to listen to and understand candid employee perspectives about the company and what matters most to them. The EOS reflects ICBC's commitment to attracting and retaining a talented, diverse and engaged workforce.

The EOS is held annually with increasing targets to ensure a commitment to employee listening in order to be the diverse, equitable and inclusive employer we strive to be. Feedback captured in the EOS directly informs the People Strategy with corporate-wide initiatives that focus on developing leaders through a formalized development program, improve our recognition approach to ensure all employees feel valued, and increase our diversity, equity and inclusion training to foster a strong sense of belonging. These are just some of the initiatives that will increase employee engagement, unleash the potential of our workforce and ensure we attract and retain talent to Move All Forward. Targeted divisional action plans focus on specific tactics to help improve the employee experience.

As part of ICBC's commitment to being an inclusive employer that reflects the diversity of B.C.'s people and communities, a diversity, equity and inclusion (DEI) index was identified to measure employees' perceptions and feelings of equity and inclusion. DEI considerations are foundational to ICBC's way of doing business, enabling a culture of respect, belonging and empowerment, and helping ICBC serve its customers and communities.

In last year's Service Plan there was reference to exploring a potential a new performance measure for this year's Service Plan. However, as ICBC is reviewing all strategic elements as referenced earlier, any new measures are deferred until 2025-26 Service Plan.

Financial Summary

(\$Millions)	2022/23 Actual ¹	2022/23 Actual Restated	2023/24 Forecast	2024/25 ² Budget	2025/26 ² Plan	2026/27 ² Plan
Insurance Revenues						
Premiums earned	5,290	5,304	5,659	6,126	6,529	6,959
Service fees and other	135	117	204	224	200	205
Total earned revenues	5,425	5,421	5,863	6,350	6,729	7,164
Insurance Services Expenses						
Provision for claims occurring in the current period	3,702	3,626	4,494	4,978	5,317	5,675
Change in estimates for losses occurring in prior periods	419	278	(422)	(575)	(538)	(483)
Claims services and loss management	481	481	498	532	533	527
Claims and Claims Related Costs	4,602	4,385	4,570	4,935	5,312	5,719
Insurance operations expenses	300	118	130	119	123	119
Premium taxes and commissions	630	650	747	825	893	959
Other acquisition costs – operating expenses	-	39	37	46	48	50
Total claims and operating expenses	5,532	5,192	5,484	5,925	6,376	6,847
Net expense (recovery) from reinsurance contracts	-	13	7	22	22	22
Insurance service result	(107)	216	372	403	331	295
Investment and other income	401	312	551	370	760	770
Net insurance finance expenses	-	106	477	432	325	284
Net other operating expense (income), non-attributable	-	126	132	150	166	178
Net income - insurance operations before impairment loss	294	296	314	191	600	603
Loss from non-insurance operations	(162)	(162)	(174)	(191)	(200)	(203)
Net income before impairment loss	132	134	140	-	400	400
Investment impairment loss	(327)	-	-	-	-	-
Net income / (loss)	(195)	134	140	-	400	400

Financial Summary — continued

(\$m)	2022/23 Actual ¹	2022/23 ² Actual Restated	2023/24 ² Forecast	2024/25 ² Budget	2025/26 ² Plan	2026/27 ² Plan
Other comprehensive income (OCI)						
Pension and post-retirement benefits re-measurements	3	3	15	-	-	-
Net change in available for sale financial assets	239	-	-	-	-	-
Total comprehensive income	47	137	155	-	400	400
Total equity – beginning of year	3,715	3,918	4,052	4,207	4,207	4,607
Non-controlling interest (NCI) disposition	(3)	(3)	-	-	-	-
Total equity – end of year	3,759	4,052	4,207	4,207	4,607	5,007
Represented by:						
Opening retained earnings (RE)	3,347	3,414	3,549	3,689	3,689	4,089
Net income / (loss) excluding NCI	(197)	135	140	-	400	400
Ending retained earnings	3,150	3,549	3,689	3,689	4,089	4,489
Opening other components of equity (OCE)	361	494	497	512	512	512
OCI	242	3	15	-	-	-
Ending other components of equity	603	497	512	512	512	512
Non-controlling interest	6	6	6	6	6	6
Total equity – end of year	3,759	4,052	4,207	4,207	4,607	5,007
Total liabilities³	18,427	14,209	15,483	14,709	14,180	14,120
Capital Expenditures⁴	41	41	63	69	203⁵	66

¹ 2022/23 Actual as reported in ICBC 2022/23 Annual Service Plan Report

² The 2022/23 Actual Restated, 2023/24 Forecast, 2024/25 Budget, 2025/26 and 2026/27 Plan results and presentation are consistent with the new accounting standards, effective April 1, 2023. Reconciliations of fiscal 2022/23 Actual as reported in ICBC's 2022/23 Annual Service Plan Report, to the 2022/23 Actual Restated Actual, reflecting the new standard are below.

³ For 2022/23 Actual Restated and onwards, under IFRS 17, premium receivables are netted in liabilities as part of what is defined as insurance contract liabilities.

⁴ Major categories of capital expenditure include: facilities (land, building, and leasehold), furniture and equipment, IT systems (computer equipment and software). Looking ahead, ICBC expects capital expenditures will change in the planning period as the company maintains or replaces aging infrastructure, including replacement or upgrade of facilities, and as critical business systems are renewed.

⁵ Head Office Relocation is a 15-year capital lease (\$111M) commencing April 1, 2025. Full cost of lease and leasehold improvements is \$164M with leasehold improvements spanning 2024/25 – 2027/28. Timing and amount of expenditure is subject to change and Board approval.

International Financial Reporting Standard (IFRS) Transition

In compliance with IFRS, the Financial Plan Financial Summary reflects the new accounting standards, effective April 1, 2023. IFRS 9 has changed the accounting and disclosures of ICBC's financial instruments. Net Change in Available for Sale Financial Assets, formerly in Other Comprehensive Income (OCI), is included with Investment and Other income within Net Income.

IFRS 17 has changed the accounting and disclosures of ICBC's insurance contracts (primarily premiums, claims costs, broker commissions and premium taxes) and have significant impact to the financial statements' presentation.

The following two tables illustrate the reconciliation of the fiscal 2022/23 Annual Service Plan Report results to the new accounting standards.

Net Income Breakdown for the Twelve Months Ended March 31, 2023

(\$M) ¹	Actual Increase / (Decrease)
Reported net loss under the old IFRS standards	\$ (195)
Reclassification of investment fair value changes from other comprehensive income to net investment income	239
Difference in discounting and risk adjustment impact on claims	112
Impact of expensing acquisition costs	(21)
Other	(1)
Restated net income under new IFRS standards	\$ 134

Equity Breakdown for the Twelve Months Ended March 31, 2023

(\$M) ¹	Actual Increase / (Decrease)
	Actual
Balance, beginning of 2022/23 before IFRS 9/17 restatement	\$ 3,715
Claims liability – risk adjustment and discounting changes	490
Write-off DPAC and other ²	(287)
Balance, beginning of 2022/23 after IFRS 9/17 restatement	\$ 3,918
Net income, ICBC	134
Balance, end of 2022/23 - restated	\$ 4,052

¹ Rounding may affect totals.

² Other includes financial investments - fair value vs amortized cost adjustment and change in reinsurance contract assets.

Operating Cost by Nature

(\$m)	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Forecast	Budget	Plan ¹	Plan ¹
Premium taxes and commission expense	666	787	866	935	1,002
Compensation and other employee benefits	519	543	592	1,065	1,071
Pension and post-retirement benefits	67	46	55		
Professional and other services	40	30	33		
Road improvements and other traffic safety programs	31	36	38		
Building operating expenses	27	26	28		
Merchant and bank fees	43	48	52		
Office supplies and postage	23	23	21		
Computer costs	36	33	37		
Depreciation and amortization	93	92	84		
Corporate Initiative project expenses ²	-	38	46		
Other ³	37	44	49		
Total operating costs	1,582	1,746	1,901		

¹ Operating Costs targets are not planned in detail beyond 2024/25.

² Corporate Initiative project expenses are planned expenses, which are based on corporate priorities. The actual project expenses get allocated based on the nature of the expense.

³ Other include bad debt expenses, telecommunications, outside information processing and staff related expenses including training.

Key Forecast Considerations

Financial forecasts take into consideration ICBC's plans to address the key strategic risks facing the organization and changes in the external environment. Typical of other property and casualty insurance companies, ICBC faces material risks in the execution of its strategy and conduct of operations. The Board, the Board Committees and the Executive Leadership Team review these material risks, including financial market risk, as part of their governance and oversight function. Actual results could vary from these projections depending on actual implementation, actual behavioural changes and associated impacts.

Based on these plans, the following assumptions were developed along with certain key considerations and incorporated into the financial forecasts on page 19-20.

- Commencing May 1, 2021, the actuals and forecasts reflect Enhanced Care. Given Enhanced Care is a new product that heavily relies on external data, there remains risk to the forecast.
- The summary financial outlook reflects the overall operations of the business, including Basic and Optional insurance and non-insurance activities. It has been prepared considering legislative, regulatory and judicial frameworks. The forecast reflects a number of financial and behavioural assumptions.
- Rate changes are assumed for both Basic and Optional insurance businesses in the forecast period. Any changes to Basic insurance rates are subject to BCUC regulatory approval. Other assumptions that can impact financial forecasts can include the number of additional policies that are sold, vehicle sales and whether people are listing more risky drivers and/or buying more coverage.
- The forecast includes the BCUC-approved Basic insurance rate change of 0% for Policy Year 2023, April 1, 2023 - March 31, 2025, that also includes a capital provision, which contributes to rebuilding ICBC's capital reserves.
- The financial information was prepared based on International Financial Reporting Standards (IFRS).
- Investment income, as shown, includes the expected interest, dividends, other income and net market value change of financial assets.
- Changes in the net market value change in available for sale financial assets formerly reported in Other Components of Equity, are reflected in net income as a result of IFRS 9.
- Claims incurred reflect current claims trends, vehicle population growth and inflation.
- Prior years' claims reflect the re-estimation of prior years' claims and release of risk adjustments as claims are settled.
- Net insurance finance expenses reflect the unwinding of discounting and the impact of changes in the discount rate on the liability for unpaid claims.

- Assumptions were made with respect to the claims discount rate and the rate used to discount pension and post-retirement benefits. Actual discount rates may be different from these estimates as they are influenced by external market and economy factors.
- Risks are inherent in insurance forecasts since they are based on assumptions about the future. These assumptions are based on historical driving, claims and other economic patterns, as well as expert judgment. However, due to the volatile nature and the inherent risks of the insurance business, there are a range of uncertainties in these estimations. The following highlight the effect of variations in the assumptions underlying the financial forecast.

Premiums

- 1 percentage point fluctuation represents approximately \$56 – \$70 million in net premiums (Basic and Optional combined).

Claims

- 1 percent change in current year claims costs represents approximately \$45 – \$57 million in current year claims costs.
- 1 percent fluctuation in the unpaid claims balance represents approximately \$94 – \$130 million in claims costs.
- 1 percentage point fluctuation in the rate used to discount claims represents approximately \$300 – \$340 million in claims costs.

Investments

- 1 percentage point change in investment return represents approximately \$180 – \$195 million in investment return.
- 1 percent change in the investment portfolio represents approximately \$4 – \$8 million in investment return.
- 1 percentage point change in interest rate would result in a change of approximately \$322 million in the fair value in ICBC's fixed income portfolio.
- A 10-percent change in equity prices would result in an estimated corresponding change to unrealized investment income of approximately \$385 million.
- A 10-percent change in Canadian dollar exchange rate would change the fair value of the non-Canadian equity fund investments and would result in a change to unrealized investment income of approximately \$460 million.

Market Share

- 1 percentage point change in market share represents approximately \$11 – \$21 million impact in net income.

Pension

- 1 percentage point change in discount rate represents approximately \$490 million impact to the defined benefit obligation.
- 1 percentage point change in discount rate represents approximately \$48 million impact to pension expense.

Management's Perspective on Financial Outlook

ICBC forecasts a net income of \$140 million for FY 2023/24 compared to a budget net income of \$0 million. The forecasted net income for 2023/24 is higher than budget, primarily due to higher investment income, partially offset by higher claims costs.

ICBC earns investment income to help offset the cost of insurance and aims to balance risk and return within its investment portfolio. ICBC's forecast assumes a market downturn in the short term. Higher investment income in FY 2023/24 is due to a shift in the expected market slowdown into the last quarter of FY 2023/24 and into FY 2024/25. High levels of volatility have been experienced in FY 2023/24 and uncertainty persists in the global investment markets. This has resulted in a wide range of possible outcomes for investment income, both favourable and unfavourable. Inflation and high interest rates have lingered longer than previously expected in FY 2023/24 and are anticipated to come down in FY 2024/25. Due to a delay in impact of the market downturn, the post-market downturn recovery has also shifted to later in the forecast period. ICBC's investment income forecast continues to reflect a narrow band of outcomes considered "most likely."

Major considerations for the forecast are the challenging global investment market conditions due to geopolitical events, and fears of a market slowdown. While interest rate cuts are expected, the timing and levels of rate cuts are uncertain. These factors have significantly impacted ICBC's results and forecasted fair values of the investment portfolio.

Claims costs are higher than budget. High inflation, above historical averages, have put considerable pressure on the ability to manage claims costs in terms of higher material and labour costs, delayed repairs due to shortage of parts and skilled technicians. ICBC has also observed unfavourable emergence on legal-based injury claims. The rate to discount claims has come down since last quarter, landing back to a rate similar to budget after being higher (favourable) during most of FY 2023/24. There is the possibility of further reductions to the present discount rate in the forecast period which would result in an unfavourable impact (increase to) the unpaid claims liability, and unfavourable impacts to net income. Increases in material damage are expected through the forecast period as well as the continued emergence of more legal-based injury claims as ICBC works to settle prior years' legal-based injury claims.

On the positive side, claims financial results under Enhanced Care, which removes the adversarial approach and focusses on helping customers get the care they need, have been favourable, while acknowledging that ICBC's experience with the Enhanced Care product is still very new. As a result of the limited experience with Enhanced Care, ICBC's injury severity

forecasts continue to rely on external data which leads to considerable uncertainty/risk (favourable/unfavourable) in the forecast. Claims cost assumptions and forecasts will continue to evolve as more experience with the new product is observed.

The forecast period premium revenue growth is the result of policy growth and higher average premium to offset the increase in material damage costs; and higher premium as a result of older vehicles being replaced with newer, more expensive vehicles.

Operating costs have increased in fiscal 2023/24 and in the forecast periods. In 2023/24, ICBC has been successful in filling vacancies required to reach staffing targets to maintain service levels. The increase in staffing levels as well as increases to general inflation, salaries, benefits and expenses, has resulted in an increase to 2023/24 operating costs. Non compensation increases are the result of previously negotiated contracts, new initiatives and strategies, sustainment costs associated with completed projects and general inflation. For FY 2024/25 and beyond, while there are additional staffing needs to manage service levels, these pressures are expected to be offset with a gradual reduction in its legal-based claims-related staffing requirements as ICBC continues to manage and progressively wind down legal-based claims. Despite the gradual reduction in legal-based claims-related staffing requirements, overall operating costs continue to slightly increase due to the increases to general inflation, salaries, benefits and expenses.

Similar to other insurance organizations, ICBC has a capital management framework under which it operates. This framework takes into consideration both its management operating targets and its regulatory minimums to ensure that capital reserves are adequate to protect policyholders from financial risk while keeping rates as low as possible over the long term. ICBC is guided by the capital management framework of the Office of the Superintendent of Financial Institutions (OSFI), adopting OSFI's Minimum Capital Test as a means to measure and monitor ICBC's capital levels. While recent market volatility has impacted ICBC's net income and capital levels, ICBC's financial reserves are adequate to absorb adverse events.

Special Direction IC2 to the British Columbia Utilities Commission B.C. Reg. 307/2004 (section 3(1)(d)) requires the BCUC to ensure that rates are set in accordance with ICBC's most recently approved capital management plan (CMP). The proposed rate change in the 2023 Revenue Requirements Application was determined using the CMP as amended by *Special Direction IC2*, per Order in Council 666/2022 dated December 12, 2022. Given the amendments to *Special Direction IC2*, ICBC has delayed updating the CMP until the next revenue requirements application.

Special Direction IC2 defines Policy Year 2023 as encompassing the 24-month period from April 1, 2023 to on March 31, 2025. As part of the December 12, 2022 amendments to *Special Direction IC2*, the requirement to set the Basic rate in a manner that allows ICBC to maintain a Basic Minimum Capital Test ("MCT") ratio of 100% was suspended for PY 2023.

Capital Expenditure

Major Capital Projects ¹ (over \$50 million in total)	Targeted Year of Completion	Project Cost to Dec 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
ICBC Head Office Relocation ²	Fiscal 2027/28	-	164	164

¹ Only projects that receive provincial funding and have been approved by Treasury Board and/or Crown corporation boards are included in this table. Ministry service plans may include projects that still require final approval. Capital costs reflect current government accounting policy.

² 2025/26 - Head Office Relocation is a 15-year capital lease (\$111M) commencing April 1, 2025. Full cost of lease and leasehold improvements is \$164M with leasehold improvements spanning 2024/25 – 2027/28. Timing and amount of expenditure is subject to change and Board approval.

Appendix: Mandate Letter from the Minister Responsible



July 26, 2023

Catherine Holt
Board of Directors
Executive Office
Insurance Corporation of British Columbia
517 - 151 West Esplanade
North Vancouver BC V7M 3H9

Dear Catherine Holt:

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations – including Crowns, Health Authorities and Post Secondary Institution Boards – support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home – in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for the Insurance Corporation of British Columbia, sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens' Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office (CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy and planning.

In addition to continuing to make progress on your [2021 mandate letter](#), I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following new priorities within your approved budget:

- Continue to support the government's priority to keep automobile insurance rates affordable for British Columbians while ensuring the financial stability of the corporation, including identifying and delivering on mitigations that will help reduce pressures on automobile rates.
- Develop and implement corporation-wide strategies to improve ICBC's customer experience, perceptions and interactions with the corporation, while achieving cost-effective service delivery and effectively communicating the corporation's work to serve all British Columbians. Continue to improve customer experience and communications with pedestrians and cyclists who have been injured in vehicle collisions.
- Work with the Ministry of Public Safety and Solicitor General, the Ministry of Transportation and Infrastructure and other partners to reduce the frequency and severity of crashes to support the safety of British Columbians and help make insurance more affordable.
- Advance work to modernize BC's driver licensing services to ensure the services continue to be reliable and respond to the needs of customers in the future.
- Work with CAS to develop a specific vehicle insurance product for the film industry in BC, which will streamline insurance requirements and support the province continuing to be a destination of choice for the film sector.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,



Mike Farnworth
Minister of Public Safety and Solicitor General
and Deputy Premier

Date: July 26, 2023

cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Douglas Scott
Deputy Solicitor General
Ministry of Public Safety and Solicitor General

Jennie Moushos
Director
ICBC

Paulette Flamond
Director
ICBC

Jill Leversage
Director
ICBC

Bonnie Pearson
Director
ICBC

Allan Seckel
Director
ICBC

Janet Wood
Director
ICBC

Salima Remtulla
Director
ICBC

Chris Lewis
Director
ICBC

Bill Tilford
Director
ICBC

Len Boggio
Director
ICBC

David Wong
President and Chief Executive Officer
ICBC



Catherine Holt
Chair, ICBC
Date: July 27, 2023



Jill Leversage
Director, ICBC
Date: July 28, 2023



Paulette Flamond
Director, ICBC
Date: July 27, 2023



Chris Lewis
Director, ICBC
Date: July 31, 2023



Len Boggio
Director, ICBC
Date: July 27, 2023



Janet Wood
Director, ICBC
Date: July 27, 2023



Bonnie Pearson
Director, ICBC
Date: July 27, 2023



Jennie Moushos
Director, ICBC
Date: July 27, 2023



Allan Seckel
Director, ICBC
Date: July 31, 2023



Salima Remtulla
Director, ICBC
Date: July 27, 2023



Bill Tilford
Director, ICBC
Date: July 27, 2023

Insurance Corporation of British Columbia

2023/24 Annual Service Plan Report August 2024



For more information on the Insurance Corporation of British Columbia,
please contact us at:

151 West Esplanade
North Vancouver, British Columbia, V7M 3H9

604-661-2800

Or visit our website at: icbc.com

Published by ICBC

Board Chair's Accountability Statement



The ICBC 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink that reads "C Holt". The signature is fluid and cursive.

Catherine Holt
Chair of the Board of Directors
August 9, 2024

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Letter from the Board Chair & CEO

On behalf of the Board of Directors and all ICBC employees, we are pleased to submit ICBC's Annual Service Plan Report for the year ending March 31, 2024.

As British Columbia's public auto insurance provider, ICBC made life more affordable by reducing and maintaining the current Basic insurance premium rate steady. The last increase to Basic rates was in April 2019. With the introduction of Enhanced Care in 2021, Basic rates decreased 15 per cent. Then in 2023, the British Columbia Utilities Commission (BCUC) approved a Basic rate change of 0 per cent to April 2025.

In addition, ICBC's strong financial position at the end of the fiscal year enabled us to issue a \$110 rebate to eligible drivers. Since the move to the Enhanced Care model of insurance in 2021, British Columbia went from a province with one of the highest vehicle insurance costs to being among the lowest in Canada, while providing our injured customers with improved recovery benefits.

Another way that ICBC brought down the cost of insurance for customers was with the introduction of a new distance-based Optional product for those who drive less than 10,000 kilometres, adding to the existing 5,000 km discount. In 2023/24, more than half a million of our customers received some form of distance-based discount.

Alongside affordability improvements, we have renewed focus on our customers and work on a new customer experience strategy progressed well last year. A new driver licensing office was opened in 2023, as well as a new road testing centre. We have been streamlining processes in all areas of our business, and specifically vehicle repair claim processes were made more efficient for both customers and employees last year.

We are focused on Reconciliation work with Indigenous Peoples in British Columbia, as we recognize our responsibility to create meaningful and lasting change. As well as forming an Indigenous Relations department, we developed a Reconciliation Action Plan in 2023/24 which will ultimately provide better support for Indigenous employees and customers.

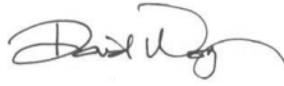
We recognize that our employees are our strength and our efforts to be an employer of choice are paying off — ICBC had a four-point increase in employee engagement in 2023/24 over the previous year and was again named one of B.C.'s top employers.

Sustainability is an ongoing concern, and we align with government's priorities on climate change. In 2023/24, we got closer to the CleanBC target for building, fleet and paper emissions, as we worked toward our goal of sustaining what was achieved during the pandemic.

As always, we worked closely with our government partners in 2023/24 and ICBC will continue to work with government to meet all mandate letter objectives.



Catherine Holt
Chair of the Board of Directors, ICBC
August 9, 2024



David Wong
President and Chief Executive Officer, ICBC
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Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the [2021/22 Mandate Letter](#) and [2023/24 Mandate Letter](#) shaped the goals, objectives, performance measures and financial plan outlined in the [ICBC 2023/24 - 2025/26 Service Plan](#) and the actual results presented in this annual report.

Purpose of the Organization

The Insurance Corporation of British Columbia (ICBC) is a provincial Crown corporation mandated by the [Insurance Corporation Act](#), [Insurance \(Vehicle\) Act](#) and the [Motor Vehicle Act](#) to provide universal compulsory auto insurance (Basic insurance) to drivers in British Columbia, with Basic insurance rates regulated by the British Columbia Utilities Commission. In addition, ICBC provides people in British Columbia with [Optional auto insurance products](#).

ICBC is one of B.C.'s largest corporations and is one of Canada's largest property and casualty insurers. Its insurance products and services are available through a province-wide network of approximately 900 independent brokers. Each year, ICBC processes approximately one million claims through a 24-hour telephone claims handling service and online claims reporting. It works with healthcare professionals and auto repair facilities throughout the province to help customers after a crash. It helps make B.C.'s roads safer for all road users by working with communities, law enforcement and other stakeholders on various road safety campaigns and initiatives.

ICBC also provides several non-insurance services on behalf of the provincial government, including vehicle registration and licensing, driver licensing and fines collection. It also issues the [BC Services Card](#) at its driver licensing offices.

To support these services and supplement the income collected through insurance premiums, ICBC generates investment income through its portfolio of fixed income investments, public and private equity investments, mortgages, investment properties and infrastructure investments.

ICBC doesn't have any active operating subsidiary companies, and all nominee holding companies have been disclosed in a list in [Appendix B](#).

Operating Environment

As British Columbia's public vehicle insurer, ICBC deals with risk every day. As well as assuming risk for its customers, however, the company is also affected by external and internal business risks: global market fluctuations, inflation and supply chain pressures; the impacts of climate change; changing customer expectations and behaviours; talent attraction and retention; and changing workforce expectations. Effective risk mitigations were key to ICBC delivering on its 2023/24 Service Plan commitments, which translate into increased value to its customers.

People living in British Columbia are the ultimate beneficiaries of ICBC's 2023/24 positive net income of \$1,399 million. This figure is significantly higher than our projected net income mainly due to higher investment income and lower claims costs. The healthy net income came even as ICBC held its Basic rate the same, marking the fourth year in a row with no Basic rate increase. ICBC's strong financial position at the end of the fiscal year enabled it to issue a \$110 rebate to drivers who had an active eligible policy in February 2024.

ICBC's higher investment income was the result of the upward trend in global financial markets in the latter half of the fiscal year. ICBC had, in fact, planned for an economic downturn in 2023/24 that didn't materialize, resulting in higher investment income than planned. And while costs to repair vehicles continued to rise for ICBC as it did for other insurers, ICBC's claims costs were favourable because it had fewer injury claims than expected.

To help with the rising vehicle repair costs that are being experienced by all Canadian insurers, ICBC worked with industry and provided support to train more repair apprentices in an effort to increase capacity. The company also improved its claims processes by updating its claims management technology.

In 2023/24, ICBC developed its Reconciliation Action Plan to align ICBC policies with the United Nations Declaration on the Rights of Indigenous Peoples, Canada's Truth and Reconciliation Commission Calls to Action, and B.C.'s Declaration Act Action Plan. While many of the actions will take time, ICBC is committed to developing a purposeful approach to the vital requirements of Reconciliation.

ICBC recognizes that its Indigenous customers have unique needs due to historical colonial policies. To help address barriers for Indigenous customers when accessing ICBC's services, ICBC travelled to locations throughout the province and worked with First Nation governments, agencies and community members to serve Indigenous Peoples where they live.

Climate change is an increasing risk in British Columbia, which is seeing more frequent flood and wildfire events. During the peak of the devastating 2023 wildfire season, ICBC attended resiliency centres in Kamloops, Vernon, Lake Country, West Kelowna, Penticton and Camp Hope to help displaced customers access services and resources.

In response to rising consumer expectations, in 2023/24 ICBC completed a customer experience strategy that maps out our vision to improve our digital and self-serve capabilities while also investing in our abilities to manage customer interactions. On the product side, a new discount on Optional policies was made available to those who drive less than 10,000

kilometres per year, giving customers more control over their premiums and providing an incentive to drive less.

As always, ICBC held road safety firmly in its focus in 2023/24, which helped lower its claims risk. ICBC increased funding to its Road Improvement Program with additional resources going to the Targeted Intervention Program (TIP). TIP enables ICBC's Road Safety partners to accelerate infrastructure projects that offer the greatest crash reduction benefits. ICBC also targeted locations where crashes frequently occur, such as parking lots, encouraging people to drive carefully and to back into parking spots. Hundreds of Community Road Safety events throughout the year reminded drivers about the dangers of distracted driving, excessive speed and impaired driving, among others. ICBC also ran an extensive mass media road safety campaign highlighting road safety behaviours and encouraging everyone to do their part.

B.C.'s tight labour market continued to pose a challenge in 2023/24 but ICBC increased its efforts to be an employer of choice and was recognized as one of B.C.'s top employers again in February 2024. A new collective agreement between ICBC and its union, MoveUP, was ratified in 2023, a key piece in moving ICBC forward. An improved human resources system, launched in 2023/24, gave employees a better and more straightforward self-serve experience.

Economic Statement

Following two years of strong recovery from the pandemic, economic growth in British Columbia moderated in 2023. After expanding by 3.9 per cent in 2022, B.C.'s real GDP increased by 1.6 per cent in 2023, the second highest growth rate among provinces (tied with Saskatchewan and Ontario) and outperforming the national average. Growth in B.C.'s real GDP was supported by service-producing industries such as real estate, rental and leasing; professional, scientific and technical services; transportation and warehousing; and healthcare. Despite steady growth in the construction and mining, quarrying and oil and gas extraction sectors, output for goods-producing industries decreased in 2023, partly due to lower manufacturing activity. While B.C.'s economy continued to expand in 2023, some sectors such as transportation and warehousing and accommodation and food services have yet to fully return to pre-pandemic levels.

B.C.'s labour market continued to grow in 2023, with employment growth of 1.6 per cent and wages and salaries increasing by 6.9 per cent. However, B.C.'s unemployment rate rose to 5.2 per cent in 2023 from 4.6 per cent in the previous year as the labour force, supported by record high immigration, grew faster than employment. High interest rates tempered consumer spending on goods in 2023 and nominal retail sales edged down 0.1 per cent. In 2023, price pressures in B.C. moderated among a broad number of goods and services but remained elevated. B.C.'s inflation rate averaged 3.9 per cent in 2023, down from 6.9 per cent in 2022. B.C. home construction activity strengthened in 2023. Housing starts totaled 50,490 units in 2023, the highest annual pace on record and up 8.1 per cent compared to the previous year. High interest rates continued to weigh on home sales activity last year. B.C. MLS home sales decreased by 9.2 per cent in 2023, while the MLS average home sale price was 2.6 per cent lower than 2022. On the external front, B.C.'s international merchandise exports declined

by 13.5 per cent in 2023, due to weaker global demand and lower commodity prices compared to 2022.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 Service Plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the [latest service plan](#).

Goal 1: To Make Insurance Affordable

ICBC is committed to delivering an affordable and sustainable insurance system for British Columbians.

Objective 1.1: Make insurance more affordable by reducing claims costs and legal expenses

Key results

- ICBC did not increase its Basic rates in 2023/24, an achievement that reflects its commitment to affordability, financial stability and the benefits of [Enhanced Care](#).
- ICBC reduced the number of pending, in-province bodily injury claims from the old legal-based insurance product by 35 per cent, ensuring that reserves previously set aside are sufficient for the payment of those claims.
- ICBC improved the design and delivery of Enhanced Care to ensure the sustainability of the care-based model with a focus on the customer recovery journey and experience.
- ICBC has ensured that 96.1 per cent of claims costs go directly to the customer through appropriate benefit application for customers involved in a crash and requiring recovery from their injuries.
- ICBC has introduced new technology and streamlined business processes to better serve its total loss customers, or those customers whose vehicles have been written off. These enhancements have improved customer service and reduced claims handling costs.

Summary of progress made in 2023/24

Enhanced Care has been in effect for close to three years. Priority has been on the customer journey, focusing on the overall experience of ICBC customers and ensuring quick access to benefits and timely, quality communication. In addition, development of additional recovery programs has resulted in increased support for early management of mild traumatic brain injuries.

ICBC settled nearly 20,000 litigated claims under the former tort model in 2023/24, a 35 per cent reduction in pending bodily injury claims in British Columbia since the start of the fiscal year. ICBC is working to wind down the old legal-based insurance book of business so that its sole focus will be on the delivery of Enhanced Care. Once these claims are fully wound down,

they will require no further increases to reserves. This will provide more financial stability as ICBC’s financial results will be tied more closely to the delivery of Enhanced Care.

In response to the global trend of rising costs of vehicle repairs, ICBC is executing its Material Damage Strategy that was developed to mitigate cost pressures. In 2023/24, the strategy focused on providing support for training more repair apprentices to improve capacity and augmenting its claims management systems with the latest technology to improve governance of these repairs.

Performance measure(s) and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Jurisdictional comparison of year-over-year rate changes ^{1,3,8}	ICBC’s rate change is 1.6 percentage points less than the Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark	2023/24 comparison will be available in 2025 ²
Percentage of claims costs that goes to customers ^{4,5,8}	96.2%	95.9%	96.1%
Average cost for a vehicle-related claim ^{6,7,8}	\$6,314	\$6,513	\$6,973

¹Data source: The private passenger vehicle (PPV) provincial benchmark and ICBC’s personal rate change represent the overall rate level change that PPV/personal customers experienced in fiscal year 2023/24. The PPV provincial benchmark is from Canadian jurisdictions that have publicly available rate change information: Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick. Note that Manitoba includes some commercial vehicles in their private passenger net written premium.

²This result is unavailable now; the 2024/25 Annual Service Plan Report will report this result after a complete year of data. ICBC expects to perform better than the Provincial Rate Change Benchmark based on rate change information as of December 31, 2023.

³Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as ≤ Provincial Rate Change Benchmark and ≤ Provincial Rate Change Benchmark respectively.

⁴Data source: Analysis of ICBC-incurred claims; plaintiff counsel contingency fees assumed at 25% of settlement amounts on average for represented claimants.

⁵Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 95.8% and 95.8% respectively.

⁶Data source: ICBC claims database.

⁷Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as \$6,994 and \$7,491 respectively.

⁸For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the [latest service plan](#) on the ICBC website.

Jurisdictional comparison of year-over-year rate changes: A key measure of affordability is year-over-year changes in insurance rates. ICBC evaluates its rates each year against a Provincial Rate Change Benchmark, using a weighted average of published rate changes implemented in other provinces. While the 2023/24 results are not yet available, ICBC is on track to meet its target of delivering year-over-year rate changes that are less than or equal to the comparable benchmark based on rate change information as of December 2023. This expected outcome reflects the impact of holding Basic insurance rates at 2022/23 levels.

Percentage of claims costs that goes to customers: The percentage of claims costs that goes directly to customers in 2023/24 (96.1%) remains about the same level as in 2022/23 (96.2%) and is above ICBC's target for 2023/24 of 95.9 per cent. This is following legal-related costs being largely eliminated with introduction of Enhanced Care in May 2021 (partway through fiscal year 2021/22).

Average cost for a vehicle-related claim:

Repair costs continued to increase globally in 2023/24, driven by industry-wide challenges, including inflation, supply chain issues and repair capacity challenges. In 2023/24, the average cost for a vehicle-related claim was higher than targeted. ICBC's Material Damage Strategy is focused on addressing these rising costs and the ability of repair facilities to ensure that auto insurance remains affordable for people in British Columbia.

The average cost for a vehicle-related claim measures the combined average cost for all material damage claims (excluding glass claims). Vehicle repair and replacement costs continue to increase industry wide as vehicles become more complex due to embedded sensors, cameras, and other driver-assistance technologies. This measure quantifies the effect of ICBC's effort to moderate these increasing material damage costs.

Goal 2: To Be Customer Driven

ICBC aims to be more flexible and customer driven and to have the needs of customers drive improvements in the design and delivery of its products and services.

Objective 2.1: Be more flexible, with customer needs driving improvements in the design and delivery of products and services

Key results

- In 2023/24, ICBC completed work on an enterprise-wide customer experience strategy, which is its roadmap to improvements to the consistent delivery of positive customer experiences.
- ICBC improved its digital capabilities, including enhancing [icbc.com](https://www.icbc.com), improved online document submissions, claims status notifications, and improvements to the vehicle settlement process.
- ICBC redesigned how it measures customer satisfaction, including its customer surveys; the results have improved the quality of insights and ability to analyze pain-points and trends.
- In 2023-24, ICBC designed new customer experience training courses tailored for Enhanced Care recovery specialists.
- A new distance-based discount was introduced for Optional insurance. Starting with policies effective June 1, 2023 or later, B.C. drivers are now eligible to save up to 10 per cent if they drive 10,000 kilometres per year or less, resulting in over 550,000 customers

receiving a distance-based discount in fiscal 2024. To qualify, they must share two odometer readings one year apart, have a 12-month Autoplan policy with ICBC Optional coverage and be within an eligible rate class.

Summary of progress made in 2023/24

ICBC is committed to improving our customers’ experience. This is why in 2023/24, ICBC remained focused on completing a holistic customer experience strategy anchored on a vision of consistent, easy and helpful interactions that move customers forward. The results of this strategy work have identified key focus areas that will help improve ICBC’s digital and self-serve capabilities while also investing in its abilities to manage empathetic customer interactions. To further support these goals, improved measurement of customer satisfaction and customer surveys have enabled ICBC to better identify and resolve customer pain-points. Through improved surveys ICBC can better understand customers’ feedback and ensure improvements reflect their needs. Another key area of improvement has been on the digital claims experience. By enhancing the quality of claims information available on icbc.com, increasing claims self-serve online capabilities, and enhancing status updates, customers can better understand and manage their claims.

ICBC surveys customers annually to inform future changes and adapt its products to better serve customers as part of its commitment to make insurance more affordable for everyone in British Columbia and to give customers more control over their insurance premiums. According to surveys conducted on behalf of ICBC, more than half of people in British Columbia expressed interest in usage-based insurance, with cost savings being the top motivating factor.

Performance measures and related discussion

Performance Measure ¹	2022/23 Actual	2023/24 Target	2023/24 Actual
[2a] Customer Satisfaction for Insurance Services ^{2,5}	85%	84%	85%
[2b] Customer Satisfaction for Claims Services ^{3,5}	74%	72%	75%
[2c] Customer Satisfaction for Driver Licensing Services ^{4,5}	77%	75%	74%

Data source: An independent firm is retained to conduct ongoing surveys of customers for the purposes of monitoring transactional satisfaction.

¹Effective 2022/23, ICBC transitioned to using a more calibrated seven-point scale to measure satisfaction, versus the previous four-point scale, as part of its commitment to evolve its customer satisfaction measurement framework. Enlarging the scale has provided customers with more choice and allows them to better distinguish their level of satisfaction. Please refer to the ICBC Service Plan 2022/23 - 2024/25 for a comprehensive description of the new scale. Note that targets for future years have been updated in Service Plan 2023/24-2025/26.

²Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 85% and 86% respectively.

³Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 73% and 74% respectively.

⁴Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 76% and 77% respectively.

⁵For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the [latest service plan](#) on the ICBC website.

ICBC measures customer service based on the percentage of satisfied customers for each major transaction type or service that it provides: insurance product purchase, mid-term changes and renewal, claims service, and driver licensing.

Customer satisfaction for Insurance Services: ICBC's 2023/24 insurance customer satisfaction score is above the target at 85 per cent. This result reflects a high level of satisfaction with Autoplan brokers along with the ability to complete renewal transactions online and over the phone.

Independent insurance brokers process more than four million Autoplan policies each year. The insurance services satisfaction measure evaluates customer experience when purchasing a new policy, renewing a policy, or making a midterm change to an existing policy.

Customer satisfaction for Claims Services: The Claims Customer Satisfaction score for 2023/24 is above the target at 75 per cent, despite ongoing global supply chain challenges that impact the ability to complete repairs in a timely manner. This strong result was due to improvements in call wait times, a more straightforward process for opening new claims, and ongoing efforts in recruitment and optimization of operational processes.

Claims are handled through ICBC's First Notice of Loss contact centre and other specialty departments such as Claims, Material Damage and Rehabilitation Services. Claims surveying, which surveys customers with personal (non-commercial) claims, occurs when a customer opens a claim with ICBC and/or after their claim closes.

Customer satisfaction for Driver Licensing Services: The Driver Licensing customer satisfaction score was below the 2023/24 target of 75 per cent by one percentage point. This is mainly due to rising demands for driver licensing services, affecting both appointment availability and office wait times.

ICBC conducts approximately 3.5 million driver-licensing transactions¹ every year, including issuing and renewing licences, administering driving tests and issuing identification cards.

ICBC remains committed to enhancing and delivering a positive customer experience and has implemented capacity enhancements to address these challenges, including opening a new office in Surrey, standardization of office practices across all driver licensing offices, and reducing the duration of road tests without compromising the integrity of the test.

¹ In some previous Annual Service Plan Reports, the number of transactions was incorrectly stated.

Goal 3: To Be Smart and Efficient

ICBC will invest in data, analytics and technology to improve efficiency and make more-informed better decisions.

Objective 3.1: Invest in data, analytics and technology to improve efficiency and decision-making

Key results

- Improved claims technology to make claims more convenient, simple and quicker for customers and employees.
- Added new predictive analytics into material damage operational activities to reduce handling time.
- Improved the Collision Repair Program by leveraging advanced analytics for more meaningful reporting.
- Improved data quality, availability, accessibility, and data literacy and culture as part of our strategy to become a more data-driven organization.
- Automated some claims reporting and payment processes to reduce room for error and improve efficiency.

Summary of progress made in 2023/24

In 2023/2024, ICBC leveraged predictive modelling to increase objectivity and accuracy in the Collision Repair Program, and to improve its data-driven claim fraud detection tool. ICBC also initiated the design of a total loss prediction model based on machine learning. Use of this model improves ICBC's efficiency resulting in customers being informed that their vehicle is a write-off more quickly and aligns with the overall goal of managing costs using data, analytics, and technology.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Operating Expense Ratio ^{1,2,3,4,7}	21.2%	21.8%	23.2% ⁵
Loss Adjustment Expense Ratio ^{6,7}	15.7%	10.0%	12.2% ⁵

Data source: Financial performance measures are derived from actual financial information, forecasted trends and assumptions.

¹Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 21.5% and 21.4% respectively.

²2022/23 actual operating expense ratio is restated to reflect expense reclassification in compliance with new International Financial Reporting Standards 17.

³In the latest 2024/25 – 2026/27 Service Plan and future reports, the operating expense ratio performance measure is referred to as "expense ratio".

⁴The auto writers' industry benchmark for 2023 was 29.7%. Source: MSA Research Inc., MSA Benchmark Report, Property and Casualty, Canada, 2023. Benchmark name: Auto Writers (excluding ICBC and Saskatchewan Auto Fund).

⁵ICBC issued a rebate (\$398 million); this resulted in lower earned premiums. Excluding the rebate, the 2023/24 actual operating expense ratio would be 21.5% and the 2023/24 actual loss adjustment expense ratio would be 11.3%.

⁶Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 9.9% and 9.7% respectively.

⁷For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the [latest service plan](#) on the ICBC website.

The operating expense ratio is a standard industry measure to assess the operational efficiency of an insurer. A lower operating expense ratio is better. ICBC calculates this as a ratio of insurance expenses and non-insurance expenses (excluding incurred claims and claims-related costs) to premiums earned net of reinsurance. ICBC is unique in providing non-insurance services (driver licensing, vehicle registration and licensing, violation ticket issuance and government fine collections) as other insurance carriers in Canada do not typically provide these services. Even with these added expenses, ICBC continues to be an efficient and low-cost organization, and its operating expense ratio remains over 6 per cent lower than the industry average.

In 2023/24, ICBC's operating expense ratio was 23.2 per cent, higher than target by 1.4 percentage points (ppt) and the prior year's ratio by 2.0 ppt. While the actual was higher than target, ICBC's operating expense ratio remains lower than that of other insurance companies. Without the \$398 million rebate, the operating expense ratio would be in-line with target and the prior year's ratio.

The loss adjustment expense ratio (LAER) compares the cost to settle claims to premiums earned, which is an indicator of the efficiency of the claims settlement process. This measure primarily considers loss adjustment expenses on an incurred basis, which means that it represents costs for losses occurring in the current fiscal year. It can also be affected when there are significant changes in estimated costs to settle outstanding claims from prior years.

The higher LAER in 2023/24 compared to target is mainly from a lower premium and mid-year adjustment that recognized higher loss adjustment expenses will be required to fully resolve all the remaining legal-based claims. With the introduction of the Enhanced Care model and the elimination of most remaining legal costs from the previous system, ICBC expects that the LAER will remain stable with approximately 10 per cent of premiums going towards the cost of settling claims.

Goal 4: To Be Future Focused

ICBC will prepare for the future of insurance and mobility in B.C. through road safety programs and workplace practices

Objective 4.1: Prepare for the future of insurance and mobility in B.C.

Key results

- Advanced the multi-year People Strategy to build a talented, diverse, and engaged workforce.
- Developed a multi-year roadmap for recruitment and retention initiatives that bolsters a diverse, equitable and inclusive workplace.

- Delivered overall year-over-year increases in Employee Opinion Survey scores.
- Ratified a new collective agreement between ICBC and its approximately 4,900 MoveUP members.
- Implemented enhancements to the Road Improvement program and an initiative to address parking lot crashes under ICBC's Crash Prevention Strategy initiatives.

Summary of progress made in 2023/24

ICBC has the opportunity to help shape the future of insurance and mobility in British Columbia through partnerships and workplace practices. As the mobility landscape evolves, proactive planning and implementation of road safety programs to reduce crashes now as well as responding to emerging safety risks becomes even more critical. In 2023/24, ICBC made advancements in planning for [road safety](#) interventions. These advancements included implementing enhancements to ICBC's [Road Improvement Program](#). The enhancements provided additional support for road authorities to accelerate projects that offer the greatest crash reduction benefits and facilitate the implementation of highly effective road improvement interventions. ICBC also ran a campaign to raise awareness of locations where crashes frequently occur, such as parking lots, encouraging people to drive carefully and responsibly in parking lots and to back into parking spots. Discussions with external partners continued to explore future mobility partnerships. ICBC also continued to monitor driver behaviour, shifts in the use of vehicle technology and evolving mobility trends. Changes in cyclist and pedestrian safety were closely monitored to anticipate and plan for trends that may influence future crash rates and better inform future initiatives.

ICBC is now several years into advancing an ambitious People Strategy that supports a talented, diverse, and engaged workforce. Success is reflected in the overall results of the annual Employee Opinion Survey (EOS), and specifically the Employee Engagement score.

In 2023/24, developing corporate leadership capabilities continued to be a priority, including the establishment of a new leadership development program that will offer robust training for frontline leaders. ICBC has worked to ensure the flexible work model continues to support employees and their work and continues to offer a flexible hybrid work model that gives most employees remote work options. This achieves several aims: to remain an employer of choice, lessen commute times, help reduce congestion and crashes on B.C. roads and reduce the corporation's carbon footprint.

ICBC is committed to being an inclusive employer — one that reflects the diversity of the people and communities of British Columbia. The important work done to ensure a diverse, equitable, and inclusive workplace made significant progress this year, including increasing representation of Indigenous people, planning work to augment recruitment and retention initiatives, increasing representation of people with disabilities, and increasing leader awareness through diversity, equity, and inclusion (DEI) training.

Two key enablers of the People Strategy saw significant progress in 2023/24. A new collective agreement was ratified between ICBC and its approximately 4,900 MoveUP members in 2023. The new agreement is a significant accomplishment and key to moving ICBC forward. A

human resources information system for employees was implemented in 2023/24 to better support human resources work. This system has enhanced functionality and improves the employee experience by making it easier for employees to manage HR-related tasks, promoting communication and collaboration, and supporting professional development.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Employee Engagement score ¹	62	65	66

Data source: Employee Opinion Survey (EOS) conducted by an independent firm.

¹Target for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 67 and 69 respectively.

ICBC’s EOS seeks to understand employee opinions about the company and reflects its efforts to attract and retain a talented, diverse, and engaged workforce. In 2023/2024 ICBC’s overall engagement score increased 4 points to 66 per cent, up from 62 per cent in 2022/2023. ICBC’s EOS survey response rate was 80 per cent, providing ICBC with an effective way to understand the composition and sentiment of its workforce across several intersecting dimensions, and survey results indicate we are moving in the right direction with the People Strategy continuing to focus on the right areas and employees feeling connected with ICBC’s purpose. In the preceding year, ICBC implemented several initiatives aimed at increasing overall engagement, including enhancing communication and incorporating EOS goals into performance plans to enhance corporate-wide accountability for employee engagement.

As part of ICBC’s commitment to being an inclusive employer that reflects the diversity of B.C.’s people and communities, the EOS includes a DEI index to help understand the employee experience of various groups, a common experience driver of inclusion. All employees have the opportunity to self-identify across a range of different diversity measures including gender, ethnicity, ability, and Indigenous identity.

Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on [ICBC.com](https://www.icbc.com).

Discussion of Results

This statement of operations report reflects the new insurance and investments accounting standards. The financial statements are prepared in consistency with International Financial Reporting Standards as issued by the International Accounting Standards Boards ("IFRS") for insurance entities that ICBC began using on April 1, 2023. For comparability, IFRS requires that the new standards be applied to the 2022/23 published results and those results are restated. One of the most notable changes is the inclusion of unrealized investment gains and losses in net income. Under the previous rules, unrealized investment gains and losses were included outside of net income (in other comprehensive income). This change has resulted in a better match of all investment results with claims results as they are both included in net income.

Highlights

ICBC's net income for the fiscal year ended 2023/24 was \$1,399 million, which was \$1,265 million better than the \$134 million restated net income in 2022/23. The main factors impacting this fiscal year's bottom line were higher investment income and lower claims costs.

The strong performance of the financial markets in the current year resulted in increased market value changes on ICBC's investment portfolio, which led to significantly higher investment income compared to the same period last year.

Claims costs were lower than the same period last year. In 2022/23 there was an unfavourable adjustment to account for the higher-than-expected future costs from large and complex bodily injury claims under the pre-April 1, 2019 legal-based product, as well as higher costs on material damage claims from inflationary pressures on vehicle values and repair costs. These prior year adjustments have not repeated to the same extent in 2023/24.

The 2023/24 year-end net income was \$1,399 million higher than the budgeted net income of \$0 million. This is mainly due to an anticipated market downturn not materialising as expected in this fiscal year, resulting in higher investment income than planned. Claims costs were also lower than budgeted primarily due to the favourable emergence in Enhanced Accident Benefit claims costs, partially offset by higher-than-expected material damage claims and unfavourable adjustments to bodily injury and accident benefit claims under the pre-April 1, 2019 legal-based product.

ICBC's strong financial position enabled it to issue a \$398 million rebate, which resulted in a \$110 rebate to each eligible customer policy.

Financial Summary

The table below provides an overview of ICBC's 2023/24 financial performance relative to its 2023/24–2025/26 Service Plan.

(\$ millions) ^{1,2}	2023/24 Actual	2023/24 Budget ³	2023/24 Variance Better/ (Worse)	2022/23 Actual ⁴
Insurance revenues				
Premiums earned ⁵	5,274	5,598	(324)	5,304
Service fees	198	180	18	117
Total insurance revenues	5,472	5,778	(306)	5,421
Insurance service expenses				
Provision for claims occurring in the current year	4,101	4,284	183	3,626
Change in estimates for losses occurring in prior years	(708)	(551)	157	278
Total claims incurred	3,393	3,733	340	3,904
Claims services and loss management ⁶	491	490	(1)	481
Total incurred claims and claims related costs	3,884	4,223	339	4,385
Insurance operations expenses ⁶	126	121	(5)	118
Premium taxes, commissions, and other acquisition costs ⁶	766	763	(3)	689
Total insurance service expenses	4,776	5,107	331	5,192
Net expenses from reinsurance contracts	10	17	7	13
Insurance service result	686	654	32	216
Net investment income	1,427	134	1,293	312
Net insurance finance expenses	430	481	51	106
Net other operating expenses	112	133	21	126
Net income – insurance operations	1,571	174	1,397	296
Non-insurance operations expenses ⁶	144	142	(2)	135
Non-insurance commissions ⁶	40	41	1	36
Non-insurance - other income	(12)	(9)	3	(9)
Net income	1,399	0	1,399	134
At year end:				
Long-term debt	-	-		-
Total liabilities	13,551	15,873		16,354
Equity:				

Insurance Corporation of British Columbia

Retained earnings	4,948	2,994	3,549
Other components of equity	555	500	497
Non-controlling interest	5	7	6
Total equity	5,508	3,501	4,052
Capital Expenditures (\$ millions)	64	65	41
Autoplan policies earned ⁷	4,356,000		4,294,000
Average premium (\$) ⁸	1,268		1,200
Claims reported during the year ⁹	1,108,000		1,067,000

¹ Financial information for all years is prepared based on International Financial Reporting Standards (IFRS).

² Rounding may affect totals.

³ Presentation format has been updated from the Financial Summary table in the 2023/24 - 2025/26 Service Plan to comply with the presentation format for the new accounting standards.

⁴ 2022/23 Actual is restated, the restated results and presentation are consistent with the new accounting standards, effective April 1, 2023. Refer below for reconciliations of fiscal 2022/23 Actual as reported in ICBC's 2022/23 Annual Service Plan Report, to the restated 2022/23 Actual reflecting the new standard.

⁵ 2023/24 actual premiums reflect a \$398 million rebate to eligible ICBC customers.

⁶ See Note 17 of the consolidated financial statements for details of Operating Expenses by Nature.

⁷ Annualized values have been used for policies with a term of less than 12 months. Autoplan policies earned include Basic, storage and temporary operating permit policies.

⁸ Average premium is based on Autoplan premiums earned and is not denoted in the millions.

⁹ Claims reported represent the number of claims reported against purchased insurance coverages.

Basic and Optional Comparative Summary Table

(\$ millions) ¹	Basic - Actual vs. Prior Year			Optional - Actual vs. Prior Year		
	2023/24	2022/23	Better/ (Worse)	2023/24	2022/23	Better/ (Worse)
	Actual	Actual ²	Variance	Actual	Actual ²	Variance
Insurance revenues						
Premiums earned ³	2,848	3,187	(339)	2,426	2,117	309
Service fees	111	70	41	87	47	40
Total insurance revenues	2,959	3,257	(298)	2,513	2,164	349
Insurance service expenses						
Provision for claims occurring in the current year	2,262	2,056	(206)	1,839	1,570	(269)
Change in estimates for losses occurring in prior years	(393)	(135)	258	(315)	413	728
Total claims incurred	1,869	1,921	52	1,524	1,983	459
Claims service and loss management	325	315	(10)	166	166	-

Insurance Corporation of British Columbia

Total incurred claims and claims related costs	2,194	2,236	42	1,690	2,149	459
Insurance operations expenses	51	46	(5)	75	72	(3)
Premium taxes, commissions, and other acquisition costs	228	238	10	538	451	(87)
Total insurance service expenses	2,473	2,520	47	2,303	2,672	369
Net expenses from reinsurance contracts	2	4	2	8	9	1
Insurance service result	484	733	(249)	202	(517)	719
Net investment income	985	207	778	442	105	337
Net insurance finance expenses	301	74	(227)	129	32	(97)
Net other operating expenses	57	61	4	55	65	10
Net income – insurance operations	1,111	805	306	460	(509)	969
Non-insurance operations expenses	144	135	(9)	-	-	-
Non-insurance commissions	40	36	(4)	-	-	-
Non-insurance - other income	(12)	(9)	3	-	-	-
Net income (loss)	939	643	296	460	(509)	969

At year end: ⁴

Equity:

- Retained earnings	3,689	2,749		1,259	800	
- Other components of equity	387	347		168	150	
- Non-controlling interest	3	4		2	2	
Total equity	4,079	3,100		1,429	952	

¹ Rounding may affect totals.

² 2022/23 Actual is restated, the restated results and presentation are consistent with the new accounting standards, effective April 1, 2023.

³ Basic 2023/24 actual premiums reflect a \$398 million rebate to eligible ICBC customers.

⁴ Balances presented at year end as of March 31, 2024 and March 31, 2023, respectively.

International Financial Reporting Standard (IFRS) Transition

In compliance with IFRS, the Financial Summary reflects the new accounting standards, applicable to ICBC's financial statements as of April 1, 2023. IFRS 9 Financial Instruments has changed the accounting and disclosures of ICBC's financial instruments. Net Change in Available for Sale Financial Assets, formerly in Other Comprehensive Income (OCI), is included with Net Investment Income within Net Income.

IFRS 17 Insurance Contracts has changed the accounting and disclosures of ICBC's insurance contracts (primarily premiums, claims costs, broker commissions and premium taxes) and has a significant impact to the financial statements' presentation.

The following two tables illustrate the reconciliation of the fiscal 2022/23 Annual Service Plan Report results to the new accounting standards.

Net Income Breakdown for the Twelve Months Ended March 31, 2023

(\$M) ¹	Actual Increase / (Decrease)
Reported net loss under the old IFRS standards	\$(195)
Reclassification of investment fair value changes from other comprehensive income to net investment income	239
Difference in discounting and risk adjustment impact on claims	112
Impact of expensing acquisition costs	(21)
Other	(1)
Restated net income under new IFRS standards	\$134

Equity Breakdown for the Twelve Months Ended March 31, 2023

(\$M) ¹	Actual Increase / (Decrease)
	Actual
Balance, beginning of 2022/23 before IFRS 9/17 restatement	\$3,715
Claims liability – risk adjustment and discounting changes	490
Write-off DPAC and other ²	(287)
Balance, beginning of 2022/23 after IFRS 9/17 restatement	\$3,918
Net income	134
Balance, end of 2022/23 - restated	\$4,052

¹ Rounding may affect totals.

² Other includes financial investments - fair value vs amortized cost adjustment and change in reinsurance contract assets.

Variance and Trend Analysis

Premiums earned

Premiums earned totalled \$5,274 million in 2023/24, which was \$30 million lower compared to 2022/23, mainly due to a \$398 million rebate. Without the rebate, premiums earned would have been higher, resulting from higher Optional penetration growth and Optional rates.

Premiums earned was \$324 million lower compared to budget due to reasons stated above.

Service fees

Service fees are primarily comprised of interest received from policyholders who have chosen to finance their insurance premiums over the policy period.

Service fees totalled \$198 million in 2023/24, which was higher than last year and budget due to higher financing fees collected following the increase in interest rates throughout this fiscal year, as the financing fee is tied to the Bank of Canada prime rate.

Claims costs

The cost of claims, also referred to as claims-incurred costs, is affected by the growth in the number of policies, the likelihood of having a claim (frequency) and the average expected costs to settle those claims (severity). Factors influencing frequency include driving and claimant behaviour, driver experience, weather, pandemic events, the effectiveness of road safety and loss management programs, and the increasing number of new vehicles with advanced safety features. Factors influencing severity include legal representation, litigation, settlement awards, legal fees, medical cost inflation, vehicle parts and repair inflation, and various investigative costs.

The cost of claims incurred accounts for about two-thirds of ICBC's total costs. Claims-incurred costs are comprised of the expected costs to settle claims for all crashes that have occurred during the fiscal period, regardless of when the crash was reported to ICBC, and the change in estimates for losses that occurred in prior periods. Claims-incurred costs include payments made to settle claims, adjusters' case reserves and actuarial estimates of the additional costs that will be paid on current claims and future claims. Under IFRS, ICBC reports claims-incurred costs on a discounted basis to reflect the time value of money and includes adjustments to account for risks associated with the expected future cash flows.

Estimating how much claims will cost in the future involves predicting the future behaviour of incurred claims, taking into consideration the following: changes to the insurance product, closure rates, payment patterns and inflation, consistency of ICBC's claims-handling procedures, the legal representation status of claims and historical delays in claims reporting. Determining the present value of future claims payments further relies on prevailing interest rates at a point in time.

In general, the more time required to settle a group of claims, the less certain their estimates will be. Adjustments to the prior periods' claims reserves are due to the re-estimation of future payments for claims incurred in prior periods that are in progress and for those that are not yet reported. As time passes, more claims are paid and more information becomes available, refining the estimate of the remaining future claims payments. Changes in the prevailing interest rates over time will also affect the present value of future claims payments.

The provision for claims occurring in the current year, or current-year claims costs, is reflective of claims under Enhanced Care. Estimated changes for losses that occurred in prior periods reflect a combination of claims under Enhanced Care from May 1, 2021 onward, claims under the minor injury cap product from April 1, 2019 to April 30, 2021, and claims under the pre-April 1, 2019 legal-based product.

The corporation has applied IFRS 17 Insurance Contracts effective April 1, 2023. As a result, the corporation restated certain comparative amounts as at April 1, 2022. The discussion on 2022/23 is based on the restated amounts as at April 1, 2022.

Overall, 2023/24 claims-incurred costs of \$3,823 million were \$187 million lower than the claims costs incurred in 2022/23. In 2022/23 there were unfavourable prior years adjustments to account for the higher-than-expected future costs from large and complex bodily injury claims under the pre-April 1, 2019 legal-based product, as well as higher costs on material damage claims from inflationary pressures on vehicle values and repair costs. These prior year adjustments have not repeated to the same extent in 2023/24.

Claims-incurred costs were also \$391 million lower than the budgeted \$4,214 million. The lower claims costs were mainly due to \$473 million lower-than-expected losses from Enhanced Accident Benefit claims. These favourable changes are partially offset by higher-than-expected material damage claims and unfavourable adjustments to bodily injury and accident benefit claims under the pre-April 1, 2019 legal-based product.

\$ millions ¹	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Restated Actual	2023/24 Actual
Claims-Incurred Costs	5,908	3,341	2,492	4,121	4,010²	3,823²
Injury	4,327	2,002	824	1,633	1,514	1,015
Current year claims	2,986	2,110	1,482	1,266	1,144	1,241
Prior years adjustments	1,216	(357)	(385)	298	307	(89)
Change in claims handling costs reserves	125	249	(273)	69	63	(137)
Material Damage and Other	1,581	1,339	1,668	2,488	2,496	2,808
Current year claims	1,614	1,346	1,718	2,361	2,374	2,749
Prior years adjustments	(36)	(10)	(45)	121	116	36

Change in claims handling costs reserves	3	3	(5)	6	6	23
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Data Source: ICBC financial systems

¹ 2019/20 Actual, 2020/21 Actual, 2021/22 Actual, and 2022/23 Actual are as reported in past Annual Service Plan Reports and have not been restated under the new accounting standards. 2022/23 Restated Actual and 2023/24 Actual are consistent with the new accounting standards, effective April 1, 2023.

² For 2022/23 Restated Actual and 2023/24 Actual, claims-incurred costs are the sum of *Total claims incurred* \$3,904M and \$3,393M respectively, and *Net insurance finance expenses* \$106M and \$430M respectively as stated on the Financial Summary table on page 21. Claims-incurred costs for restated and current year actuals exclude claims recovery from reinsurance contracts.

Injury claims

Current year injury claims, comprised of bodily injury claims and accident benefit claims, account for approximately 30 per cent of current year claims-incurred costs in 2023/24. Injury claims include amounts for medical costs and future care, past and future wage loss, and external claims handling expenses. Injury claims in the Enhanced Care system include compensation for permanent impairments. Overall, the total cost of current-year injury claims has increased in 2023/24 compared to 2022/23 due to inflationary increases to the cost of Enhanced Care claims and increases in bodily injury claims from increased out-of-province travelling.

\$ millions ¹	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Restated Actual	2023/24 Actual
Current Year Injury Claims Incurred (major categories)	2,986	2,110	1,482	1,266	1,144	1,241
Bodily Injury	2,420	1,728	223	116	106	177
Accident & Death Benefits	566	382	1,259	1,150	1,038	1,064

Data Source: ICBC financial systems

¹ 2019/20 Actual, 2020/21 Actual, 2021/22 Actual, and 2022/23 Actual are as reported in past Annual Service Plan Reports and have not been restated under the new accounting standards. 2022/23 Restated Actual and 2023/24 Actual are consistent with the new accounting standards, effective April 1, 2023.

Material damage (non-injury claims)

Current year material damage claims account for approximately 70 per cent of current year claims-incurred costs in 2023/24. Material damage claims are largely categorized into Basic vehicle damage and property damage, collision, comprehensive and windshield claims. Overall, the total cost of current-year material damage claims was higher than 2022/23 as a result of increasing costs to repair or replace damaged vehicles, as well as an increase in claim frequency which continues to return to a more normal level from the low in 2020/21.

\$ millions ¹	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2022/23 Restated Actual	2023/24 Actual
Current Year Material Damage Claims Incurred (major categories)	1,614	1,346	1,718	2,361	2,374	2,749
Basic vehicle damage and property damage	611	455	626	863	869	1,007
Collision	583	492	677	999	1,003	1,165
Comprehensive	202	196	239	300	301	345
Windshield	99	101	126	155	157	177
Other	119	102	50	44	44	55

Data Source: ICBC financial systems

¹ 2019/20 Actual, 2020/21 Actual, 2021/22 Actual, and 2022/23 Actual are as reported in past Annual Service Plan Reports and have not been restated under the new accounting standards. 2022/23 Restated Actual and 2023/24 Actual are consistent with the new accounting standards, effective April 1, 2023.

Liability for incurred claims

The liability for incurred claims, making up the majority of insurance contract liabilities, is the largest liability on the consolidated statement of financial position. It is an estimate of the fulfillment cash flows related to incurred claims that have already occurred. The adequacy of this liability is reviewed and adjusted periodically throughout the fiscal year based on revised actuarial estimates, which include a risk adjustment for non-financial risk (see note 2d to the consolidated financial statements).

The liability for incurred claims as of March 31, 2024 was \$11.0 billion. However, estimates for fulfillment cash flows can change significantly due to the time frame in which certain types of claims are settled, which can be over a number of years. The liability for incurred claims related to bodily injury and accident benefits claims account for approximately 88 per cent of total liability for incurred claims. As illustrated in the tables below for claims occurring under the Enhanced Care model, only a small percentage of bodily injury and accident benefits claims costs are known and paid in the first year of the claim's occurrence, with a greater portion of the costs being an estimate of claims costs payable in future years.

	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Year 6
Breakdown of Bodily Injury Costs (%) (typical accident year)	100%	100%	100%	100%	100%	100%
Paid	3%	17%	33%	47%	65%	77%
Unpaid	97%	83%	67%	53%	35%	23%

Data Source: ICBC financial systems

	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Year 6
Breakdown of Enhanced Accident Benefits Costs (%) (typical accident year)	100%	100%	100%	100%	100%	100%
Paid	15%	31%	38%	43%	47%	50%
Unpaid	85%	69%	62%	57%	53%	50%

Data Source: ICBC financial systems

ICBC commissions an external actuary to provide an independent assessment of the liability for incurred claims. As part of the annual audit of the financial results, the external auditor’s actuary also reviews the adequacy of the liability for incurred claims in the context of providing their opinion on the consolidated financial statements.

Under IFRS 17 Insurance Contracts, ICBC reports the liability for incurred claims on a discounted basis to reflect the time value of money and financial risk associated with those future cash flows. The discounted amount takes into account the expected timing of future payments related to unpaid claims (see note 14 to the consolidated financial statements). The corporation uses discount yield curves that reflect prevailing risk-free rates and account for the characteristics of insurance contract liabilities. An increase in the discount yield curve applied to claims costs will reduce the unpaid claims balance while a decrease in the discount yield curve will increase the unpaid claims balance.

Road safety and loss management

In 2023/24, ICBC invested \$51 million in road safety initiatives and loss management programs, which include auto crime and fraud prevention, investigation, and detection to help reduce claims costs.

Using a safe systems approach, ICBC targets its road safety investments on the major risks that impact customers and costs, including distractions, high-risk driving, impaired driving, and vulnerable road users. The safe systems approach seeks to prevent or minimize the impact of crashes by influencing safe road user behaviour, improving the road network, and encouraging safer vehicles and safer speeds. Over the past year, ICBC worked with partners throughout the province to deliver road safety programs that help protect customers from risks on the road by reducing the frequency and impact of crashes and crime. ICBC continued to support enhanced enforcement initiatives through a funding agreement with the Ministry of Public Safety and Solicitor General. In 2023/24, ICBC invested approximately \$26 million in enhanced enforcement such as CounterAttack, distracted driving, speed enforcement and seat belt checks. ICBC also invested in public education, awareness, and community initiatives to help change problematic driver behaviours.

Loss management programs combat fraud through deterrence, detection, enforcement, and prevention efforts, and continue work to ensure fraudulent claims are detected in a timely

manner and managed appropriately. ICBC works collaboratively between all business areas that identify and investigate fraudulent claims to reduce overall claims costs.

Operating expenses

Operating expenses include employee compensation and other expenses required to operate the insurance and non-insurance businesses (which consist of expenses for administering driver licenses, vehicle registration and licensing) with the exception of claims payments, commissions and premium taxes. In 2023/24, ICBC continued to focus on prudent management of administration costs and sought to improve and simplify business processes, while ensuring it is adequately staffed to maintain appropriate service levels and manage claims.

In 2023/24, operating expenses increased to \$944 million compared to \$916 million in 2022/23. This is mainly due to compensation increases for unionized employees as negotiated under the collective agreement. In addition, there were higher staffing levels to maintain adequate service levels in contact centres, driver licensing offices to address backlogged tests and to keep up with the increase in demand for driving exams, and higher demand in corporate initiatives. These are partially offset by gradually reducing legal-based claims-related staff as ICBC continues to manage and progressively wind down legal-based claims.

In 2023/24 there were higher-than-budgeted Full Time Equivalents (“FTEs”) and related costs. ICBC was able to recruit and fill positions faster than budgeted because of an improved job market. Attrition was also lower than budgeted as fewer staff left ICBC. These higher costs were offset by savings generated due to lower project-related expenses and non-compensation expenses. Furthermore, there was a gain on the sale of its Langley Claims Centre, which made the total operating expenses in 2023/24 consistent with budget.

Included in total operating expenses are non-insurance operating expenses of \$144 million, funded from Basic insurance premiums.

\$ millions	2022/23 Actual	2023/24 Budget	2023/24 Actual
Operating Expenses	916	945	944
Claims services	432	439	440
Road safety and loss management services	49	51	51
Insurance operations ¹	300	313	309
Non-insurance operations	135	142	144

¹ Insurance operation includes operating expenses that are allocated to other acquisition costs in Note 17 of the accompanying consolidated financial statements to be consistent with the new accounting standards, effective April 1, 2023.

\$ millions	2022/23 Actual	2023/24 Budget	2023/24 Actual
Operating Expenses by Nature	916	945	944
Employee benefit expense	586	594	607
Professional, administrative and other	206	228	213
Depreciation & amortization	93	86	90
Road improvements and other traffic safety programs	31	37	34

Acquisition costs

Acquisition costs represent the amounts paid to brokers and driver licensing agents for the sale of ICBC's insurance products and the administration of driver and vehicle licensing transactions. Acquisition costs also include premium taxes (4.4 per cent of premiums) collected and paid to the provincial government.

Acquisition costs (including non-insurance commissions) of \$764 million were higher than the prior year. This was mainly due to higher gross premiums, which is before deducting the May 2024 announced rebate. Acquisition costs were consistent with budget.

Investments

ICBC has an investment portfolio with a carrying value of \$18.1 billion, which represented 95 per cent of the corporation's total assets as of March 31, 2024. Funds available for investment purposes come primarily from the premiums collected and set aside for unpaid claims. As of March 31, 2024, 51 per cent of the carrying value of the portfolio was invested in equity and alternative investments such as real estate, mezzanine debt and private assets, while 49 per cent of the portfolio took the form of corporate and government bonds, bond funds, money market funds and mortgage instruments.

Investment income

In 2023/24, total investment income was \$1,427 million, which was significantly higher than the investment income in the prior year. The financial market was much stronger in the current year resulting in better market value changes on investments. The strong equity market also resulted in an increased amount of income and capital dividends. Overall, these results equated to an accounting investment return of 8.0 per cent in 2023/24 (compared to 1.6 per cent in 2022/23) based on the average investment balance during the period on a cost basis.

Investment income was higher than budget primarily due to ICBC's expectation of a market downturn that did not materialize as expected in fiscal year 2023/24.

\$ millions	2022/23 Actual ¹	2023/24 Budget	2023/24 Actual
Investment Income	312	134	1,427
Realized gain (losses) on financial and other investments	466	719	742
Unrealized gain (losses) on financial investments and other	(154)	(585)	685

¹ 2022/23 Actual has been restated to be consistent with the new accounting standards, effective April 1, 2023.

Equity

As of March 31, 2024, ICBC's total equity was \$5,508 million, which is an improvement from a restated equity of \$4,052 million as of March 31, 2023. This is primarily due to the positive net income.

Equity has historically helped to absorb significant unexpected increases in claims costs and volatility in the financial markets. The adequacy of equity or capital base is an important factor in assessing the financial stability of an insurance company and is closely monitored by regulators. For federally regulated insurance companies, the common industry method used to measure financial stability is the Minimum Capital Test (MCT) ratio, an Office of the Superintendent of Financial Institutions (OSFI) risk-based capital adequacy framework, which assesses assets, policy liabilities and other potential liabilities to determine appropriate capital levels. Although ICBC is not federally regulated, the MCT ratio is also used to provide a measure of its financial stability.

As of March 31, 2024, ICBC's corporate MCT level of 155 per cent was higher than the prior year primarily due to the improvement in equity driven by the higher net income, as explained previously. For further information on the Basic insurance and Optional insurance capital framework, please refer to notes 9, 19 and 21 in the accompanying consolidated financial statements, as well as the supplemental information.

Basic and Optional insurance operations

ICBC operates as an integrated company providing Basic and Optional insurance products and services. Integrated operations provide benefits to ICBC's customers, such as ease of service and savings achieved through economies of scale.

The majority of premium revenues and claims costs are specifically identifiable as Basic or Optional; however, certain costs are not tracked separately. For those costs that are not specifically identified as Basic or Optional, a financial allocation methodology, as approved by the BCUC, is used to allocate costs between these two lines of business. Detailed financial information on Basic and Optional lines of business is included as supplemental information to the accompanying consolidated financial statements. The following paragraphs provide a high-level summary of results for Basic and Optional lines of business, while the balance of the annual report discusses results of integrated operations.

The Basic insurance business this fiscal year recorded a net income of \$939 million. The Basic net income was higher than in the prior year mainly due to higher investment income partially offset by lower premiums earned resulting from the rebate described in the premiums earned section.

The Optional insurance business this fiscal year recorded a net income of \$460 million, which was higher than the prior year mainly due to higher investment income, lower claims costs, and higher premiums earned.

Risks and Uncertainties

ICBC has adopted an enterprise risk management approach to properly oversee its risk exposure, reduce possible negative outcomes, and contribute to the sound execution of its mandate. The corporation employs an Enterprise Risk Management Framework (“the Framework”) to manage significant corporate risks that could potentially impact its stakeholder relationships, financial health, reputation, and compliance with legal and regulatory requirements.

The Framework includes clarification of the roles and responsibilities of all employees in managing risk, procedures for assessing risks, and effective reporting and communication across the organization. The corporation employs an activity-based model known as the “Three Lines of Defense” to establish a clear and structured framework for managing risks. The first line of defense includes the corporation’s operational functions, whereby senior leaders, managers, and staff are all responsible for identifying and managing risks within their respective areas. The second line of defense includes the Enterprise Risk Management function, which supports the first line by developing risk management policies, standards and procedures, and providing recommendations to ensure significant risks are managed appropriately. The third line of defense includes the internal audit function, which provides independent assurance of the entire risk management process, including management’s system of internal controls to mitigate risks.

The Framework is supported by risk and control assessment processes that allow the corporation to focus on risks where the adverse impacts may be significant, such as cyber threats or uncontrollable increases in claims costs. Risks are first identified using a standard risk taxonomy to ensure all potential risk areas are covered.

All identified key risks are then analyzed using a Risk Prioritization Matrix that determines the potential severity of each risk, considering their impacts to stakeholders, legal or regulatory obligations, and the corporation’s financial position. Its control measures, mitigations, escalation processes are considered for each risk, based on established risk tolerances and management’s risk appetite, and reputation.

These risks are continually monitored, reviewed, and assessed by the executive leadership team and reported to the Board of Directors on a quarterly basis, and new risks are added to the risk registry as they emerge. There is also a process to review significant incidents for potential control vulnerabilities or potential new risks. A summary of these incidents is also

reported to the corporation’s executive leadership team and Board of Directors on a quarterly basis.

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Mar 31, 2024 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
ICBC Head Office Relocation	2028	-	\$164	\$164
<ul style="list-style-type: none"> • Only projects that have been approved by ICBC’s Board of Directors are included in this table. Capital costs reflect current ICBC accounting policy. • Head Office Relocation is a 15-year capital lease (\$111M) commencing April 1, 2025. Full cost of lease and leasehold improvements is estimated to be \$164M with leasehold improvements spanning 2024/25 – 2027/28. Timing and amount of expenditure is subject to change and Board approval. 				

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023/24 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>In cooperation with the Ministry of Public Safety and Solicitor General (PSSG) and the Crown Agencies Secretariat (CAS), and under the direction and guidance of the Shareholder’s Committee, implement Enhanced Care Coverage in May 2021 to support affordability and the long-term financial sustainability of ICBC, and improved care for British Columbians involved in vehicle accidents. Work with PSSG and CAS to closely monitor the new insurance model after implementation in May 2021 to resolve emerging issues and ensure that it is achieving expected results. Continue to monitor changes to ICBC’s Basic insurance product that came into effect April 1, 2019.</p>	<ul style="list-style-type: none"> • Enhanced Care was implemented May 1, 2021. ICBC provides quarterly updates to PSSG and CAS to manage emerging issues. • In the first year of Enhanced Care, customers saved an average of approximately \$490 on their full coverage personal auto insurance (Basic + Optional). • The new model will allow Basic rates to remain stable until March 31, 2026. That date will mark six years with no increases. • In addition to these savings, Enhanced Care has significantly improved the care, recovery and income replacement benefits for any British Columbian injured in a crash in Canada or the United States. • Those injured in a crash can have peace of mind knowing they will be supported with benefits that promote recovery.

<p>Develop and implement measures to create greater accountability and improve transparency in ICBC's services to its customers, including the new Fairness Office, improved plain language reporting, an enhanced commitment to gain customer perspectives and insights, greater stakeholder engagement and others as agreed upon with the PSSG and CAS.</p>	<ul style="list-style-type: none"> • Michael Skinner was appointed fairness officer on July 12, 2021. • ICBC has included more demographics in its customer insights panel, including cyclists and pedestrians. • ICBC has increased its presence with stakeholders, especially material damage suppliers, working closely with Enhanced Care advisory groups, and engaging with the driver training industry and law enforcement. • ICBC seeks to improve the customer experience by efficiently and accurately answering questions in simple and easy to understand terms and manage expectations, so they know what to expect and when they'll hear back from ICBC.
<p>In coordination with PSSG and CAS, continue work toward implementing online insurance renewals by 2022, including assessing potential business, operational and financial requirements and seeking input from stakeholder groups.</p>	<ul style="list-style-type: none"> • Eligible ICBC customers were able to renew policies online effective May 1, 2022. Since June of 2023, customers renewing online can upload a photo of their odometer directly to icbc.com.
<p>Provide comprehensive quarterly reports to PSSG, and Ministry of Finance including CAS on the status of ICBC finances and multi-year forecasts, as well as the Enhanced Care Coverage project and other initiatives approved by the ICBC Board and the Solicitor General as the minister responsible. As and when appropriate, ensure that the Deputy Solicitor General and Associate Deputy Minister of CAS are apprised of emerging trends and made aware of potential issues as they occur.</p>	<ul style="list-style-type: none"> • ICBC provides financial reports and notification of emerging trends and issues to the PSSG and CAS on a quarterly basis.

<p>Continue to support the government’s priority to keep automobile insurance rates affordable for British Columbians while ensuring the financial stability of the corporation, including identifying and delivering on mitigations that will help reduce pressures on automobile rates.</p>	<ul style="list-style-type: none"> • ICBC is issuing a \$110 rebate to customers starting in Spring 2024 and is keeping Basic rates stable for a sixth consecutive year to March 31, 2026. • ICBC has built up its capital reserves to ensure rate stability in future. • ICBC expanded the distance-based discount to Optional customers who drive less than 10,000 kms per year.
<p>Develop and implement corporation-wide strategies to improve ICBC’s customer experience, perceptions and interactions with the corporation, while achieving cost-effective service delivery and effectively communicating the corporation’s work to serve all British Columbians. Continue to improve customer experience and communications with pedestrians and cyclists who have been injured in vehicle collisions.</p>	<ul style="list-style-type: none"> • ICBC’s 2025 Strategy focused on being customer driven. ICBC implemented a customer experience model across the organization and identified, prioritized, and addressed customer’s pain points with actions including those below. • ICBC continued to update the claims handling processes to better serve vulnerable road users, like pedestrians and cyclists, who have injuries and/or property damage from a motor vehicle accident. • ICBC created a dedicated webpage for vulnerable road users who have been involved in a crash and introduced the Customer Support Desk — a service focused on supporting injured customers who encounter difficulties when submitting forms to access the care they need following a crash. • ICBC ran an extensive mass media road safety campaign highlighting road safety behaviours. This supports the intent of government’s Bill 23 to better protect vulnerable road users. • ICBC has made improvements to the claims process including allowing customers to upload larger files such as dashcam footage directly into the claims portal, giving near real-time access to crucial evidence.

	<ul style="list-style-type: none"> • To support customers impacted by wildfires, ICBC set up dedicated teams to handle wildfire-related claims and customers needing replacement identification were provided free replacements. • ICBC worked with the Ministry of Citizens' Services to improve customers' navigation of icbc.com for those with limited English by translating key web pages and increasing plain language.
<p>Work with the Ministry of Public Safety and Solicitor General, the Ministry of Transportation and Infrastructure and other partners to reduce the frequency and severity of crashes to support the safety of British Columbians and help make insurance more affordable.</p>	<ul style="list-style-type: none"> • The Road Improvement Program contributed approximately \$10 million to more than 340 municipal and Ministry safety-related projects in 2023/24. Evaluation of the program showed a 24-per cent average reduction in severe (injury/fatal) collisions at treated sites. • ICBC continued to administer the Intersection Safety Camera program, in partnership with the Ministry of Public Safety and Solicitor General and police, to deter speeding and red-light running at high-risk intersections. • ICBC worked collaboratively with RoadSafetyBC and other provincial stakeholders as part of the BC Road Safety Strategy Steering Committee. • <u>ICBC provided and continues to provide funding for provincial enhanced traffic safety enforcement</u> of high-risk driving behaviours such as impaired driving, speeding and distracted driving.
<p>Advance work to modernize BC's driver licensing services to ensure the services continue to be reliable and respond to the needs of customers in the future.</p>	<ul style="list-style-type: none"> • ICBC addressed road test wait times by undertaking a review of road test processes and outcomes. ICBC has increased capacity for additional road tests while also ensuring that the road test remains effective by reducing the

	<p>road test's duration from 45 to 35 minutes.</p> <ul style="list-style-type: none"> • ICBC has successfully transitioned from seven to eight-digit driver licence (DL) numbers providing more than 240 years of available DL numbers. • After finding that language barriers pose an issue for many customers, ICBC's Learn to Drive Smart program was translated into five new languages in 2023. • ICBC opened a new Guildford Driver Licensing office and a dedicated road test centre at Boardwalk Mall to reduce wait times and better support drivers in Surrey and the Fraser Valley. • ICBC initiated planning for a multi-year modernization project. The project, among other improvements in the short and long term, will replace ICBC's aging foundational technology to reduce current risks and to provide flexibility and agility for future changes.
<p>Work with CAS to develop a specific vehicle insurance product for the film industry in B.C., which will streamline insurance requirements and support the province continuing to be a destination of choice for the film sector.</p>	<ul style="list-style-type: none"> • ICBC has applied to the BCUC to introduce a new insurance product that will provide more budgeting certainty for companies in the sector.

Appendix B: Subsidiaries and Operating Segments

The corporation does not have any active operating subsidiary companies.

Nominee Holding Companies

All the nominee holding companies listed below hold or have held investment properties, mortgage investments, real assets, and private assets for the purpose of generating investment income. All the nominee holding companies are consolidated into our financial statements, the basis of which is explained in note 2b in the accompanying consolidated financial statements. The total income from investments held by these holding companies are included in investment income found in note 10 in the accompanying consolidated financial statements.

Nominee Holding Companies		
1141268 Alberta Ltd.	1930933 Alberta Ltd.	2272807 Ontario Ltd.
1746615 Alberta Ltd.	1611527 Alberta Ltd.	2306519 Ontario Ltd.
1685611 Alberta Ltd.	1662170 Alberta Ltd.	0869391 B.C. Ltd.
1263146 Alberta Ltd.	2496976 Ontario Ltd.	0866691 B.C. Ltd.
1796824 Alberta Ltd.	2154855 Ontario Ltd.	BCI (IC) Mex Realty LP
1672904 Alberta Ltd.	2468434 Ontario Ltd.	BCI (IC) US Realty Inc.
1961735 Alberta Ltd.	2599056 Ontario Ltd.	IMC PD IC 2021 Inc.
1884419 Alberta Ltd.	2225888 Ontario Ltd.	BCI (IC) RPG Investment Corp
1688141 Alberta Ltd.	2530694 Ontario Ltd.	Bolsena IC Inc.
1394626 Alberta Ltd.	2542170 Ontario Ltd.	BCI (IC) Realty LP
1535992 Alberta Ltd.	2543053 Ontario Ltd.	BCI (IC) US Finance Inc.
1648020 Alberta Ltd.	2553178 Ontario Ltd.	IMCPE IC 2021 Inc.
1467288 Alberta Ltd.	2272811 Ontario Ltd.	IMCPE IC Investment Inc.

Appendix C: Auditor's Report and Audited Financial Statements



INSURANCE CORPORATION OF BRITISH COLUMBIA
CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2024

Management's Responsibility for the Consolidated Financial Statements

Scope of Responsibility

Management prepares the accompanying consolidated financial statements and related information and is responsible for their integrity and objectivity. The statements are prepared in consistency with International Financial Reporting Standards as issued by the International Accounting Standards Boards (IFRS). These consolidated financial statements include amounts that are based on management's estimates and judgments, particularly our insurance contract liabilities. We believe that these statements present fairly ICBC's financial position, results of operations and cash flows, and that the other information contained in the annual report is consistent with the consolidated financial statements.

Internal Controls

We maintain and rely on a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized and recorded. The system includes written policies and procedures, an organizational structure that segregates duties, and a comprehensive program of periodic audits by the internal auditors, who independently review and evaluate these controls. There is a quarterly risk assessment process, the results of which influence the development of the internal audit program. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. Policies that require employees to maintain the highest ethical standards have also been instituted. We recognize the inherent limitations in all control systems and believe our systems provide an appropriate balance between costs and benefits desired. We believe our systems of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the consolidated financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit Committee

The Audit Committee, composed of members of the Board of Directors, oversees management's discharge of its financial reporting responsibilities. The Audit Committee recommends for approval to the Board of Directors the appointment of the external auditor and the appointed actuary. The Audit Committee meets no less than quarterly with management, our internal auditors and representatives of our external auditor to discuss auditing, financial reporting and internal control matters. The Audit Committee receives regular reports on the internal audit results and evaluation of internal control systems and it reviews and approves major accounting policies including alternatives and potential key management estimates or judgments. Both internal and external auditors and the appointed actuary have access to the Audit Committee without management's presence. The Audit Committee has reviewed these consolidated financial statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the consolidated financial statements.

Independent Auditor and Actuary

Our independent auditor, PricewaterhouseCoopers LLP, has audited the consolidated financial statements. Their audit was conducted in accordance with Canadian generally accepted auditing

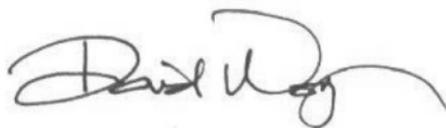
standards, which includes the consideration of our internal controls to the extent necessary to form an independent opinion on the consolidated financial statements prepared by management.

Nathalie Bégin of Towers Watson Canada Inc. is engaged as the actuary appointed and is responsible for carrying out an annual valuation of ICBC's policy liabilities and to provide an opinion regarding their appropriateness at the consolidated statement of financial position date. The factors and techniques used in the valuation are in accordance with accepted actuarial practice, applicable legislation, and associated regulations. The scope of the valuation encompasses the policy liabilities as well as any other matter specified in any direction that may be made by the regulator. Policy liabilities in an insurer's statement of financial position are the liabilities at the date of the statement of financial position on account of the insurer's policies, including commitments, that are in force at that date or that were in force before that date. The policy liabilities measured under IFRS 17 (i.e., insurance contract liabilities in regulated insurance entities), consist of a provision for unpaid claims and adjustment expenses on the expired portion of policies and of future obligations on the unexpired portion of policies. In performing the valuation of the liabilities for these contingent future events, which are by their very nature inherently variable, the actuary makes assumptions as to future loss ratios, trends, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the company and the nature of the insurance policies.

The valuation is based on projections of future claims and claim adjustment expenses. It is certain that actual future claims and claim adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections. Further, the projections make no provision for new classes of claims or claims categories not sufficiently recognized in the claims database.

The actuary relies on data and related information prepared by the Corporation and makes use of the work of the auditor with respect to the verification of the underlying data used in the valuation for accuracy and completeness. The actuary may use and take responsibility for any accounting policies or methods or assumptions set by others, in accordance with Canadian Actuarial Standards of Practice.

Ms. Bégin will meet every year with PricewaterhouseCoopers' valuation actuaries and ICBC's management to discuss business developments, changes in claims processing and claims trends. These discussions assist the independent parties in developing expectations around and assessing management's estimate of the claims provision.



David Wong
President and Chief Executive Officer
Officer

June 13, 2024



Phil Leong
Vice President, Finance & Chief Financial

June 13, 2024



Independent auditor's report

To the Minister Responsible for Insurance Corporation of British Columbia and the Board of Directors of Insurance Corporation of British Columbia

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Insurance Corporation of British Columbia and its subsidiaries (together, the Corporation) as at March 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca_vancouver_main_fax@pwc.com

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



Other information

Management is responsible for the other information. The other information obtained prior to the date of this auditor's report comprises the Annual Service Plan Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

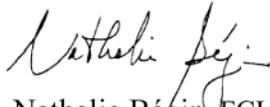
Vancouver, British Columbia
June 13, 2024

Actuary's Report

I have valued the policy liabilities of the Insurance Corporation of British Columbia for its consolidated financial statements prepared in accordance with International Financial Reporting Standards for the year ended March 31, 2024.

In my opinion:

- The amount of policy liabilities is appropriate for this purpose.
- The valuation conforms to accepted actuarial practice in Canada and the consolidated financial statements fairly presents the results of the valuation.



Nathalie Bégin, FCIA, FCAS

Fellow, Canadian Institute of Actuaries
Towers Watson Canada Inc.

Vancouver, British Columbia
June 13, 2024

Consolidated Statement of Financial Position

(\$ THOUSANDS)	March 31 2024	March 31 2023 (Restated) ¹	April 1 2022 (Restated) ¹
Assets			
Cash and cash equivalents (note 6)	\$ 12,969	\$ 25,957	\$ 29,654
Accrued interest (note 6)	28,497	46,717	40,024
Prepays and other receivables (note 6)	307,804	222,096	725,056
Assets held for sale (note 5)	21,577	41,274	208,420
Financial investments (note 5)	17,820,510	19,158,090	20,001,102
Derivative financial instruments (note 6)	804	-	24,019
Reinsurance contract assets (note 15)	35,408	36,669	47,516
Investment properties (note 5)	234,284	305,791	255,044
Property and equipment (note 11)	100,725	107,511	110,586
Intangible assets (note 13)	175,870	204,197	252,167
Lease assets (note 12)	58,461	54,763	56,206
Accrued pension benefits (note 16)	262,336	202,685	245,213
	\$ 19,059,245	\$ 20,405,750	\$ 21,995,007
Liabilities and Equity			
Liabilities			
Cheques outstanding (note 6)	\$ 212,540	\$ 215,237	\$ 130,762
Accounts payable and accrued charges	166,628	169,761	172,803
Derivative financial instruments (note 6)	8,947	46,702	1,395
Net bond repurchase agreements, investment-related, and other liabilities (note 7)	257,510	1,930,036	2,669,037
Premiums and fees received in advance	69,115	66,006	58,914
Insurance contract liabilities (note 14)	12,607,439	13,710,281	14,803,573
Lease liabilities (note 8)	57,125	52,313	53,670
Pension and post-retirement benefits (note 16)	171,678	163,161	186,181
	13,550,982	16,353,497	18,076,335
Equity			
Retained earnings	4,947,733	3,548,861	3,417,543
Other components of equity	555,519	497,184	494,375
Equity attributable to owner of the corporation	5,503,252	4,046,045	3,911,918
Non-controlling interest	5,011	6,208	6,754
	5,508,263	4,052,253	3,918,672
	\$ 19,059,245	\$ 20,405,750	\$ 21,995,007

¹ Restated for the adoption of IFRS 17 - Insurance contracts and IFRS 9 - Financial Instruments. Refer to Note 2 - Summary of material accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board



Catherine Holt
Chair of the Board of Directors



Len Boggio
Director

Consolidated Statement of Comprehensive Income

(\$ THOUSANDS)	For the year ended March 31 2024	For the year ended March 31 2023 (Restated) ¹
Insurance revenues (note 14)	\$ 5,471,703	\$ 5,421,304
Insurance service expenses (note 14)	(4,776,331)	(5,192,611)
Net expenses from reinsurance contracts (note 15)	(9,463)	(12,744)
Insurance service result	685,909	215,949
Net investment income (note 10)	1,426,716	311,590
Finance expenses from insurance contracts	(431,470)	(106,686)
Finance income from reinsurance contracts	1,094	416
Net insurance finance expenses (note 10)	(430,376)	(106,270)
Net Insurance and investment result	1,682,249	421,269
Other operating income	28,948	17,961
Other operating expenses	(140,498)	(143,585)
Income - insurance operations	1,570,699	295,645
Non-insurance operations		
Provincial licences and fines revenue (note 18)	671,816	653,810
Licences and fines transferable to the Province of B.C. (note 18)	(671,816)	(653,810)
Operating expenses (note 17)	(144,328)	(134,551)
Commissions (note 17)	(40,139)	(36,869)
Other income	12,280	9,482
Loss - non-insurance operations	(172,187)	(161,938)
Net income	\$ 1,398,512	\$ 133,707
Other comprehensive income		
Pension and post-retirement benefits remeasurements (note 16)	\$ 58,335	\$ 2,809
Total comprehensive income	\$ 1,456,847	\$ 136,516
Net income attributable to:		
Non-controlling interest	\$ (360)	\$ 2,389
Owner of the corporation	1,398,872	131,318
Total comprehensive income attributable to:		
Non-controlling interest	\$ (360)	\$ 2,389
Owner of the corporation	1,457,207	134,127
	\$ 1,456,847	\$ 136,516

¹ Restated for the adoption of IFRS 17 - Insurance contracts and IFRS 9 - Financial Instruments. Refer to Note 2 - Summary of material accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(\$ THOUSANDS)	For the year ended March 31, 2024						
	Retained Earnings	Other Components of Equity			Total attributable to owner of the corporation	Non-Controlling Interest	Total Equity
		Net change in financial investments	Pension and post-retirement benefits remeasurements	Total Other Components of Equity			
Balance, beginning of year April 1, 2023 (Restated)	\$ 3,548,861	\$ -	\$ 497,184	\$ 497,184	\$ 4,046,045	\$ 6,208	\$ 4,052,253
Contributions						(837)	(837)
Disposition of subsidiary with non-controlling interest						-	-
Comprehensive income							
Net income	1,398,872	-	-	-	1,398,872	(360)	1,398,512
Other comprehensive income							
Pension and post-retirement benefits remeasurements (note 16)	-	-	58,335	58,335	58,335	-	58,335
Total other comprehensive income	-	-	58,335	58,335	58,335	-	58,335
Total comprehensive income	1,398,872	-	58,335	58,335	1,457,207	(360)	1,456,847
Balance, end of year March 31, 2024	\$ 4,947,733	\$ -	\$ 555,519	\$ 555,519	\$ 5,503,252	\$ 5,011	\$ 5,508,263

(\$ THOUSANDS)	For the year ended March 31, 2023						
	Retained Earnings	Other Components of Equity			Total attributable to owner of the corporation	Non-Controlling Interest	Total Equity
		Net change in financial investments	Pension and post-retirement benefits remeasurements	Total Other Components of Equity			
Balance, end of year March 31, 2022 (As reported)	\$ 3,347,398	\$ (133,372)	\$ 494,375	\$ 361,003	\$ 3,708,401	\$ 6,754	\$ 3,715,155
Impact of the initial application of IFRS 17 and 9 (note 2)	70,145	133,372	-	133,372	203,517	-	203,517
Balance, beginning of year April 1, 2022 (Restated)	3,417,543	-	494,375	494,375	3,911,918	6,754	3,918,672
Contributions						622	622
Disposition of subsidiary with non-controlling interest						(3,557)	(3,557)
Comprehensive income (Restated)							
Net income	131,318	-	-	-	131,318	2,389	133,707
Other comprehensive income							
Pension and post-retirement benefits remeasurements (note 16)	-	-	2,809	2,809	2,809	-	2,809
Total other comprehensive income	-	-	2,809	2,809	2,809	-	2,809
Total comprehensive income (Restated)	131,318	-	2,809	2,809	134,127	2,389	136,516
Balance, end of year March 31, 2023 (Restated)	\$ 3,548,861	\$ -	\$ 497,184	\$ 497,184	\$ 4,046,045	\$ 6,208	\$ 4,052,253

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(\$ THOUSANDS)	For the year ended March 31 2024	For the year ended March 31 2023 (Restated) ¹
Cash flow from (used in) operating activities		
Net income	\$ 1,398,512	\$ 133,707
Items not requiring the use of cash (note 22)	(473,651)	411,291
Changes in non-cash working capital (note 22)	(1,184,734)	(1,143,207)
Cash flow (used in) operating activities	(259,873)	(598,209)
Cash flow from (used in) investing activities		
Purchase of financial investments and investment properties	(34,070,426)	(23,993,057)
Proceeds from sales of financial investments and investment properties	36,140,203	24,671,593
Purchase of property, equipment and intangibles, net	(32,285)	(16,982)
Cash flow from investing activities	2,037,492	661,554
Cash flow from (used in) financing activities		
Net securities sold under repurchase agreements (note 22)	(1,772,205)	(136,037)
Principal payments on lease liabilities (note 22)	(15,705)	(15,480)
Cash flow (used in) financing activities	(1,787,910)	(151,517)
Decrease in cash and cash equivalents during the year		
Cash and cash equivalents, beginning of year	(10,291)	(88,172)
Cash and cash equivalents, end of year	(189,280)	(101,108)
	\$ (199,571)	\$ (189,280)
Represented by:		
Cash and cash equivalents (note 6)	\$ 12,969	\$ 25,957
Cheques outstanding (note 6)	(212,540)	(215,237)
Cash and cash equivalents, net	\$ (199,571)	\$ (189,280)
Supplemental information		
Interest and dividends received	\$ 928,266	\$ 685,059

¹ Restated for the adoption of IFRS 17 - Insurance contracts and IFRS 9 - Financial Instruments. Refer to Note 2 - Summary of material accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

1. Corporate Information

The Insurance Corporation of British Columbia (the Corporation or ICBC) is a wholly-owned Crown corporation of the Province of British Columbia (B.C.), not subject to income taxes under the *Income Tax Act (Canada)*, incorporated in 1973 and continued under the *Insurance Corporation Act (ICA)*, R.S.B.C. 1996 Chapter 228. The head office of the Corporation is 151 West Esplanade, North Vancouver, British Columbia. The Corporation operates and administers plans of universal compulsory vehicle insurance (Basic) and optional vehicle insurance (Optional) as set out under the *Insurance (Vehicle) Act*, and is also responsible for non-insurance services under the *Insurance Corporation Act* and the *Motor Vehicle Act*. Non-insurance services include driver licensing, vehicle registration and licensing, violation ticket administration and government fines collection. The Corporation is subject to regulation by the British Columbia Utilities Commission (BCUC) with respect to Basic insurance rates and services (note 21).

Prior to May 1, 2021, Basic insurance included the following coverages: \$200,000 third party liability protection (higher for some commercial vehicles), access to accident benefits including a maximum of \$300,000 (note 3h) for medical and rehabilitation expenses and up to \$740 per week for wage loss (note 3h), \$1,000,000 underinsured motorist protection, inverse liability protection, and also protection against uninsured and unidentified motorists within and outside the Province of B.C.

As of May 1, 2021, the Corporation implemented a new care-based (Enhanced Care) insurance model and Basic insurance includes the following coverages: access to enhanced accident benefits providing care and recovery benefits with no overall limit, up to \$200,000 of basic vehicle damage coverage (BVDC), \$200,000 in third party liability protection (higher for some commercial vehicles), inverse liability protection, and \$1,000,000 underinsured motorist protection. Under the new insurance model, coverage for hit and run claims for vehicle damage is no longer being provided under Basic insurance, uninsured coverage no longer applies with respect to vehicle damage although BVDC will usually apply, and individuals are generally precluded from suing both with respect to bodily injuries covered by enhanced accident benefits and for vehicle damage in circumstances where BVDC may apply.

The Corporation also offers Optional insurance in a competitive environment, which includes, but is not limited to, the following coverages: extended third party liability, comprehensive, collision, loss of use, hit and run, and income top-up.

The Corporation's Basic and Optional insurance products are distributed by approximately 900 independent brokers located throughout the Province of B.C. The Corporation has the power and capacity to act as an insurer and reinsurer in all classes of insurance; however, the Corporation currently only acts as a vehicle insurer.

On June 6, 2024, the Corporation's Board of Directors authorized these consolidated financial statements for issue.

2. Summary of material accounting policies

The material accounting policies adopted in preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of reporting

The consolidated financial statements of the Corporation have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) and required by the *Budget Transparency and Accountability Act*. The consolidated financial statements include the accounts of the Corporation and its subsidiary companies. The Corporation's reporting currency and functional currency for all of its operations is the Canadian dollar, unless otherwise stated.

The Corporation has applied IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments* effective April 1, 2023. As a result, the Corporation restated certain comparative amounts and presented a third consolidated statement of financial position as at April 1, 2022 as regulated by these standards to reflect the opening balances on transition. The nature and effects of the key changes in the Corporation's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarized in note 2d, 2e, 2f and 4a. Except for changes in these sections, the Corporation has consistently applied the accounting policies as set out in note 2 to all periods presented in these consolidated financial statements.

The Corporation provides a number of non-insurance services on behalf of the Province of B.C. The costs associated with these non-insurance activities are borne by the Corporation. The amounts collected and remitted as well as the related costs are accounted for and presented separately in the consolidated statement of comprehensive income under non-insurance operations for greater transparency (note 18).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

b) Basis of consolidation

Control

The Corporation consolidates the financial statements of all subsidiary companies. Control is achieved when the Corporation is exposed to, or has rights to, variable returns from the entity and has the ability to use its power to affect the amount of the returns. Entities are fully consolidated from the date on which control is transferred to the Corporation. All but one of

the Corporation's investment properties (note 5b) are held individually in nominee holding companies. The Corporation also invests in financial investments (note 5a) through a number of investment entities, some of which are wholly-owned and therefore consolidated. The Corporation does not have any active operating subsidiary companies. All inter-company transactions and balances are eliminated.

Non-controlling interest (NCI), presented as part of equity, represents the portion of a subsidiary's profit or loss and net assets that are not attributable to the Corporation. The Corporation attributes total comprehensive income or loss of entities between the parent and the NCI based on their respective ownership interests.

When the Corporation loses control over an entity, it derecognizes the assets and liabilities of the entity, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the entity is measured at fair value when control is lost.

Significant influence

Associates are entities over which the Corporation has significant influence, which means it has the power to participate in the financial and operating decisions of the investee but does not have control or joint control over the financial or operating policies. Associates generally involve a shareholding of 20% to 50% of the voting rights.

In some cases, voting rights in themselves are not sufficient to assess power or significant influence over the relevant activities of the investee. In such cases, judgment is applied through the analysis of management agreements, the effectiveness of voting rights, the significance of the benefits to which the Corporation is exposed and the degree to which the Corporation can use its power or significant influence to affect its returns from investees.

Associates are accounted for using the equity method. The Corporation has determined that it does not have significant influence in any investments in which the Corporation has 20% or more holdings (note 3c) and accounts for these investments as available for sale.

Joint operation

The Corporation classifies joint arrangement investments based on the Corporation's contractual rights and obligations, rather than the legal structure of the joint arrangement. The Corporation owns a 50% share of each of its three joint operations, one of which is with a Limited Partner. The joint operations are all investment properties in Canada.

The Corporation recognises its direct right to the assets, liabilities, revenues and expenses of the joint operations and its share of assets, liabilities, revenues and expenses.

c) Cash and cash equivalents

Cash and cash equivalents are short-term, liquid investments that are subject to insignificant changes in fair value, including cash on hand, deposits with financial institutions that can be

withdrawn without prior notice or penalty, and directly held money market securities with a term less than 90 days from the date of acquisition.

d) Insurance contracts and reinsurance contracts held

Insurance contracts held

The following summarizes of the Corporation's material accounting policies on insurance contracts held:

Level of aggregation

IFRS 17 *Insurance Contracts* requires insurance contracts to be aggregated into portfolios of contracts that are managed together and share similar risks. The Corporation includes both the Basic only and Basic and Optional contracts in one portfolio, as these contracts share similar risks and are managed together. The Basic coverage only or Basic and Optional coverage contracts cannot be further broken down due to interdependency of risk between Basic and Optional coverage as well as the fact that Optional coverage cannot be sold independently.

Contracts are then further disaggregated based on profitability, and each group does not include contracts issued more than one year apart. The Corporation groups contracts together in annual cohorts aligning with the Corporation's fiscal period and assumes that no contracts in the portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise.

Recognition and derecognition

The Corporation recognizes a group of insurance contracts issued from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due or when the first payment is received from the policyholder if there is no due date; or
- the date when facts and circumstances indicate the group of insurance contract is onerous.

Subsequently, all new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

The Corporation derecognizes insurance contracts when rights and obligations relating to the contract are extinguished or when the contract is modified in a way that would have significantly changed the accounting for the contract had the new terms always existed, in which case a new contract based on the modified term is recognized.

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if

they arise from substantive rights and obligations that exist during the reporting period under which the Corporation can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when the Corporation has practical ability to reassess risks and can set a price or level of benefits that fully reflect those reassessed risks.

For all insurance contracts issued by the Corporation, the contract boundary aligns with the policy term of each contract and is always one year or less.

For all reinsurance contracts held by the Corporation, the contract boundary aligns with the reinsurance contracts coverage term of 12 months.

Premium allocation approach

Insurance contracts contain two liability components – liability for remaining coverage (LRC) and liability for incurred claims (LIC). IFRS 17 provides an option for entities issuing or holding insurance contracts to measure the LRC under the General Measurement Model (GMM) or the Premium Allocation Approach (PAA). LIC must be measured under GMM as cash outflow is expected to be beyond one year.

For LRC, the Corporation elected to apply the PAA to all groups of insurance and reinsurance contracts based on the coverage period being one year or less. For all insurance contracts issued by the Corporation, the contract boundary aligns with the policy term of each contract and is always one year or less.

Liability for remaining coverage

On initial recognition of a group of contracts, the carrying amount of the LRC is measured at the premium received to date and any amounts arising from the insurance acquisition cash flow. The corporation chooses to recognize insurance acquisition cash flow as an expense when incurred.

Subsequently, the carrying amount of LRC is increased by any further premium received and decreased by the amount recognized as insurance revenue for insurance services provided.

Since the time between providing each part of the coverage and related premium due date is no more than a year, the Corporation is not adjusting the LRC to reflect the time value money and the effect of financial risk.

Under PAA, a group of contracts is considered not onerous unless facts and circumstances indicate otherwise. When facts and circumstances indicate that a group of contracts may be onerous, the entity is required to assess profitability of the potentially onerous group of contracts. A group of insurance contracts is onerous if the fulfillment cash flows allocated to the group and any cash flows arising from the group in total are a net outflow. If a group of contract is onerous, the entity will recognize a loss in profit or loss and increase LRC to the extent that the current estimates of the fulfillment cash flow that relate to remaining coverage exceed the carrying amount of the LRC.

The Corporation's policy is to assess the profitability of its portfolios using critical elements, which includes losses in historical years, risk adjustment margin, insurance service revenues and discount rates. If the portfolio is determined to be onerous, the Corporation will use the GMM to measure the portfolio's liability and if the portfolio has proven to be profitable, the Corporation will continue further monitoring on a quarterly basis.

Liability for incurred claims

Liability for incurred claims (LIC) of a group of contracts are recognized at the amount of the fulfillment cash flow related to incurred claims. The fulfillment cash flows, which comprise:

- probability-weighted estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks associated with those future cash flows; and
- a risk adjustment for non-financial risk.

The future cash flow within LIC are discounted since the insurance contracts issued by the Corporation typically have a settlement period of over one year.

To reflect the time value of money and financial risk associated with those future cash flows, the Corporation has established discount yield curves using a bottom-up approach to reflect the characteristics of insurance contract liabilities. The bottom-up approach adds illiquidity premium to the risk free rate and uses a reference portfolio to derive an illiquidity premium curve.

The effect of the discounting is recognized as finance expenses from insurance contracts through the net (loss) income on the consolidated statement of comprehensive income.

The Corporation does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenues

The Corporation recognizes insurance revenue on a straight-line basis, based on the passage of time over the term of the insurance contract issued.

Service fees on the Corporation's payment plan are recognized monthly over the term of the insurance contract. For six or twelve month term insurance contracts, the Corporation's payment plan enables customers to make monthly or quarterly payments.

Insurance service expenses

Insurance service expenses include incurred claims, changes relate to the liability for incurred claims, other attributable insurance service expenses and acquisition costs, which comprise both direct costs and an allocation of indirect costs, as well as losses and reversals on onerous contracts, if any.

Net Insurance finance income and expenses

Net insurance finance income or expenses comprise the change in the carrying amount of insurance and reinsurance contract arising from the discount unwinding and changes in discount rates.

The Corporation has elected to record changes in discount rates in net income in the line insurance finance (expense) income.

Reinsurance contracts held

The Corporation has elected to apply PAA to all groups of reinsurance contracts held on the basis of the coverage period beginning one year or less. The contract boundary aligns with the reinsurance contract coverage term of 12 months.

The Corporation combines the two reinsurance contracts held in a single portfolio, as they contain similar risks and are managed together. Both reinsurance contracts held are considered one group since they are in a net cost position with no significant possibility of a net gain arising subsequently.

On the initial recognition, the Corporation measures the remaining coverage at the amount of ceding premium paid. The carrying amount of a group of reinsurance contracts held at the end of the reporting period, presented as reinsurance assets on the consolidated statement of financial position, is the sum of the asset for remaining coverage and the incurred claims recoverable.

At subsequent reporting dates, the asset for remaining coverage is increased for ceding premium paid in the period and decreased for the amount of ceding premiums recognized as reinsurance expense for the services received in the period.

Transition

The Corporation applied the full retrospective approach in transition to IFRS 17 and restated the comparative period from April 1, 2022 to March 31, 2023 as if IFRS 17 had always applied, which includes restating opening balances as at April 1, 2022.

The Corporation has performed the following procedures retrospectively:

- identified, recognized and measured each group of contracts as if IFRS 17 have always been applied;
- derecognized previously reported balances that would not have existed if IFRS 17 had always been applied; and
- recognized any resulting net difference in equity.

e) Financial Instruments

The following summarizes the Corporation's material accounting policies on financial instruments:

Recognition and Classification

The Corporation recognizes a financial asset or a financial liability when it becomes party to the contractual provision of the instrument. Purchases and sales of financial assets are recognized on trade date, which is the date on which the Corporation commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred along with substantially all the risks and rewards of ownership.

On initial recognition, financial assets are measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issuance of the financial assets. The Corporation classifies these financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not classified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset that is a debt instrument is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flow; and
- its contractual terms give rise on specified dates to cash flows that are sole payments of principal and interest (SPPI).

A financial asset that is a debt instrument is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

All debt instruments not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition, an entity may irrevocably designate financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset that is an equity instrument is measured at FVOCI if it is not held for sale and the entity elects to apply the FVOCI option.

Except for other receivables, the Corporation elected to designate all debt instruments as FVTPL. These are debt instruments that otherwise meet the criteria to be measured as amortized cost or FVOCI based on the Corporation's business model objective of managing these debt instruments and the characteristics of their cash flows. However, the irrevocable election to designate these debt instruments as FVTPL was made to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets and insurance liabilities on different basis.

Other receivables are measured at amortized cost since it is held to collect cash flow and cash flows are SPPI.

The Corporation also classifies all other financial investments as FVTPL as they do not meet the criteria to be measured at amortized cost or FVOCI based on the characteristics of their cash flows.

All fair value changes of financial investments measured in FVTPL are recorded in investment income on the consolidated statement of comprehensive income. Transaction costs for financial assets recorded as FVTPL are expensed.

For all financial liabilities, the Corporation records them at FVTPL on initial recognition. The financial liabilities are subsequently measured at amortized cost (note 2l, 2m and 2n), except for the derivatives that are measured at FVTPL (note 2j).

Business model assessment

The Corporation assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that business is managed and information is provided to management. The information considered includes:

- how the performance of the business model and the debt instruments held within that business model is evaluated and reported to the Corporation's key management personnel;

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- the risks that affect the performance of the business model and the debt instruments held within that business model and how those risks are managed; and
 - how managers of the business are compensated.

In addition, the Corporation considers the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sale activity. Information about sales activity is not considered in isolation, but as part of a holistic assessment of how the entity's stated objective for managing the debt instrument is achieved and how cash flows are realized.

SPPI assessment

Debt instruments held within a business model whose objective is to hold assets to collect contractual cash flow, or to both collect the contractual cash flows and sell the financial assets, are assessed to evaluate if their contractual cash flows are comprised of SPPI.

Contractual cash flows meet the SPPI criteria if such cash flow is consistent with a basic lending arrangement in which consideration for the time value of money and credit risk are the most significant elements of interest.

Where contractual features that introduce exposure to risks or volatility in the contractual cash flow unrelated to a basic lending agreement do not meet SPPI criteria, the related debt instrument is measured at FVTPL.

Impairment of financial assets

The Corporation is required to apply the expected credit losses (ECL) impairment model to recognize a loss allowance up-front for either expected 12-month credit losses or expected lifetime credit losses for all instruments carried at amortized cost and FVOCI.

The model follows a general approach to calculate a financial instrument's impairment loss based on change in credit quality since initial recognition, delineated into three stages depending on significance of the change. Low credit risk simplification can be used if financial assets have low credit risk at the reporting date and the credit risks have not increased significantly since initial recognition. This simplification allows financial asset to recognize the 12-month ECLs only.

Financial assets measured at amortized cost and FVOCI are subject to the impairment assessment using the ECL model. None of the Corporation's financial investments, except for other receivables, is subjected to the ECL model since they are measured at FVTPL.

Other receivables comprise mostly of investment related receivables and receivables collected on behalf of the Province of B.C. The Corporation applies low credit risk simplification since they are short-term in nature and probability of default of these receivable is low.

Transition

The Corporation applied IFRS 9 retrospectively on a look-back basis at the date of the initial application on April 1, 2023 and restated the prior period from April 1, 2022 to March 31, 2023 as if IFRS 9 had always applied, which includes restating opening balances as at April 1, 2022.

The Corporation also elected to apply the classification overlay in IFRS 17 to financial assets derecognized in fiscal year 2022 to present comparative information as if the classification and measurement (including impairment) requirements of IFRS 9 has been applied to such financial assets.

f) IFRS 17 and 9 opening transition impact

The following tables summarize the impact of IFRS 17 and 9 on the Corporation's consolidated statement of financial position on transition date, April 1, 2022:

(\$ THOUSANDS)	Carrying amount			
	IFRS 4 & IAS 39	Presentation	Measurement	IFRS 17 & 9
As at April 1, 2022				
Total assets	\$ 23,664,204	\$ (1,383,558)	\$ (285,639)	\$ 21,995,007
Total liabilities	(19,949,049)	1,383,558	489,156	(18,076,335)
Equity attributable to owner of the corporation	(3,708,401)	-	(203,517)	(3,911,918)
Equity attributable to non-controlling interest	(6,754)	-	-	(6,754)

As at April 1, 2022	IFRS 17 & 9
Write off of deferred acquisition costs asset	\$ (285,383)
Application of risk adjustment methodology	462,798
Discount rate changes	27,121
Change in reinsurance contract assets	(376)
Financial investments change from amortized cost to FVTPL	(643)
Total impact of equity attributable to owner of the corporation	\$ 203,517

g) Assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, and the sale is considered to be highly probable, are classified as held for sale. The Corporation classifies an asset as held for sale when the following conditions are met:

- Management is committed to a plan to sell;
- The asset is available for immediate sale;
- An active programme to locate a buyer is initiated;
- The sale is highly probable, within 12 months of classification for sale;
- The asset is being actively marketed for sale at a reasonable purchase price; and
- Actions required to complete the plan indicate that it is unlikely the plan will significantly change or be withdrawn.

Immediately before classification as held for sale, the assets are remeasured at cost less accumulated depreciation and impairment losses. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale, and subsequent gains and losses on remeasurement, are recognized in profit or loss; these gains are not recognized in excess of any cumulative impairment loss. Once classified as held for sale, non-current assets are no longer amortized or depreciated (note 5).

h) Translation of foreign currencies

Foreign currency transactions are translated at exchange rates at the date of the sale or purchase. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the year-end date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recognized in investment income. Translation differences on financial investments are also recorded in investment income.

i) Fair value of financial assets

In accordance with IFRS 13 *Fair Value Measurement*, the Corporation defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is classified as Level 1, 2 or 3, based on the degree to which inputs to the fair value measurement are observable:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs to the valuation methodology include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs to the valuation methodology are not based on observable market data.

An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation.

Specific valuation techniques used to determine the fair value of financial instruments include:

- For all investments except for segregated mortgages – the use of quoted prices where available, other observable market information, where available or valuation models and techniques that are based on non-observable market data.
- For segregated mortgages – the yield curve of Government of Canada bonds to the corresponding maturity dates of the underlying mortgages, plus an estimated risk premium. The risk premium is determined by factors such as the location of the property, tenant profile, and degree of leverage of the property.

These valuations are reviewed at each reporting date by management.

j) Derivative financial instruments

The Corporation uses derivative financial instruments such as foreign currency forward contracts and foreign exchange swaps to manage foreign exchange risks and interest rate swaps to manage interest rate risks (note 6).

Derivative financial instruments are measured on the consolidated statement of financial position at fair value and are accounted for at FVTPL with all changes in fair value recorded in investment income on the consolidated statement of comprehensive income. The Corporation does not apply hedge accounting.

k) Investment properties

Properties held for rental income or capital appreciation that are not occupied by the Corporation are classified as investment properties.

The estimated fair value of the Corporation's investment properties is based on independent appraisals by professionally qualified external valuers made during the year or using the income approach to estimate fair value through the direct capitalization method and/or the discounted cash flow analysis as determined by an external investment manager.

The Corporation has certain properties that serve dual purposes: investment and own-use. If the investment and own-use portions can be sold separately, or leased out separately under a finance lease, the portions are accounted for separately. If the portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for own use in the supply of services or for administrative purposes. Where the portion held for own-use is significant, then the property is treated as property and equipment. The Corporation has two properties that serve a dual purpose and are classified as investment properties.

Investment properties are initially recognized at the fair value of the purchase consideration plus directly attributable costs. Subsequent to initial recognition, the investment properties are carried at cost, less accumulated depreciation, for the building portion, and impairment, if any.

Depreciation is provided on a straight-line basis at 2.5% to 5.0% of initial carrying value annually over the investment properties' useful life.

l) Investment-related liabilities

Investment-related liabilities include mortgage debt associated with investment properties (note 2k) and are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost.

m) Net bond repurchase agreements

During fiscal year 2023, the Corporation participated in the sale and repurchase of Government of Canada and Provincial bonds, which were sold and simultaneously agreed to be repurchased at a future date. These sale and repurchase arrangements were accounted for as financial liabilities and were initially recognized at fair value and subsequently measured at amortized cost. The

interest rate at the time of the sale was the cost of borrowing the funds and was recognized as interest expense.

The Corporation also participated in the purchase and sale of Government of Canada and Provincial bonds, which were purchased and simultaneously agreed to be resold, to the same counterparty, at a future date with the market repurchase rate determining the forward contract price. These agreements were initially recognized at fair value and subsequently measured using effective interest method. These reverse repurchase arrangements had an offsetting effect to enhance performance by reducing interest expenses on the repurchase agreements and by economically hedging the interest rate, counterparty and collateral risks.

Assets transferred under repurchase or reverse repurchase agreements were not derecognized or recognized as substantially all the risks and rewards of ownership were retained by the Corporation or the counterparty in the case of the reverse repurchase agreements. The Corporation recorded a liability equal to the consideration received in repurchase agreements and offset the liability equal to the purchase price in reverse repurchase agreements.

As of March 31, 2024, the Corporation no longer directly participates in sale and repurchase arrangements.

n) Accounts payable and accrued charges

Accounts payable and accrued charges are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable and accruals are measured at amortized cost.

o) Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These provisions are included in the accounts payable and accrued charges and insurance contract liabilities, as presented on the consolidated statement of financial position. Future operating losses are not recognized.

Where the provision amounts are due more than 12 months after the reporting date, they are measured at the present value of the expenditures expected to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

p) Pension and post-retirement benefits

The amounts recognized in net income (loss) in respect of defined benefit pension plans and post-retirement benefits are as follows:

- The Corporation's portion of the current service costs;
- Non-investment costs;
- Interest costs;

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- Past service costs; and
 - Impact of any curtailment or settlements during the year.

The current service cost is equal to the present value of benefits earned by members during the reporting year.

The non-investment costs are equal to expenses paid from the plans in the reporting year relating to the administration of the plans.

The interest costs are calculated using the discount rate at the beginning of the reporting year and applied to the net liability at the beginning of the reporting year.

Past service costs arise from plan amendments that increase or decrease the obligation. Past service costs are recognized immediately in net income (loss).

The changes in the defined benefit obligation and the changes in the fair value of plan assets that result from a curtailment or settlement of plan liabilities during the reporting year are recognized in net income (loss).

A plan's surplus is equal to the excess, if any, of the plan's assets over its obligations. For plans in a surplus, an asset is recognized on the consolidated statement of financial position to the extent that the Corporation can realize an economic benefit, in the form of a refund or a reduction in future contributions, at some point during the life of the plan or when the plan liabilities are settled. For plans in deficit, the resulting net liability is recognized on the consolidated statement of financial position.

The value recognized on the consolidated statement of financial position for each defined benefit pension plan and for post-retirement benefits is calculated at the end of the reporting year as follows:

- The defined benefit obligation of the plan;
- Less the fair value of the plan assets out of which the obligations are to be settled directly; and
- Adjusted for the net change of any surplus derecognized.

The Corporation recognizes all actuarial remeasurements (i.e., gains or losses) in the reporting year in which they arise, through OCI on the consolidated statement of comprehensive income.

Certain current and former employees of the Corporation who were formerly employed in the Motor Vehicle Branch are members of a separate plan, the BC Public Service Pension Plan. This is a multi-employer defined benefit plan for which the Corporation applies defined contribution accounting. Since the BC Public Service Pension Plan pools risks amongst the current and former members of many employers, there is no consistent or reliable basis for allocating the Corporation's portion of the obligation, assets, and costs. As a result, the Corporation expenses the contributions made. Contributions are subject to change in the future, depending on the funded status of the plan, and are split equally between all participating employers and all contributing active plan members.

q) Property and equipment

Property and equipment are initially recorded at fair value and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the items, including retirement costs, if any. Subsequent costs, such as betterments, are included in the asset only when it is probable that future economic benefits associated with the item will flow to the Corporation. All other subsequent expenditures are recognized as repairs and maintenance. Capitalized software that is an integral part of the equipment is accounted for as equipment. Property and equipment are depreciated when they are available for use, on a straight-line basis over the estimated useful life of each asset, taking into account the residual value, at the following annual rates:

- Buildings 2.5% to 10%
- Furniture and equipment 10% to 33%
- Leasehold improvements Term of the lease

The assets' residual values and useful lives are reviewed annually and adjusted, if appropriate, at each reporting date. Land is not depreciated, as it is deemed to have an indefinite life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recorded in net income (loss).

r) Lease assets and liabilities

At inception of a contract that conveys rights to the Corporation to use an identified asset, the Corporation assesses whether the contract is or contains a lease. This assessment involves exercising judgment to determine whether the Corporation has the right to control the use of an identified asset for a period of time in exchange for considerations. If the arrangement is, or contains a lease, the Corporation recognizes a lease asset and a lease liability at the commencement of the lease. Lease assets include both tangible and intangible assets.

The lease asset is initially measured based on the present value of future lease payments plus directly attributable cost, less any lease incentive received. Directly attributable costs are incremental costs of obtaining a lease that would not have otherwise been incurred and that are directly attributable to negotiating and securing a lease. The lease asset is amortized on a straight-line basis over the lesser of the lease term or the asset's useful life. The lease asset is subject to testing for impairment if there is an indicator for impairment.

Lease liability consists of fixed payments less incentive receivable, variable lease payments that depend on an index or a rate, residual value guarantee, and purchase options price less termination costs. Lease liability is measured at the present value of the remaining lease payments using the implicit rate or the incremental borrowing rate implicit in the lease.

When the lease contains an extension or purchase option that the Corporation considers reasonably certain to be exercised, the exercise price of the option is included in the lease liability.

s) Intangible assets

Capitalized software that is not an integral part of the equipment is accounted for as an intangible asset. Software development costs, which are comprised of labour and material costs for design, construction, testing, and other costs directly attributable to bringing the asset to a condition where it can be applied in its intended use, are capitalized for projects expected to be of continuing benefit to the Corporation, or expensed where the potential future benefits are uncertain or not quantifiable. Where software in development is not available for its intended use, the software development costs are classified as an asset under construction. Once the asset is available for intended use, it will be classified as an intangible asset.

Finite life intangible assets are initially recorded at fair value and subsequently carried at cost less accumulated amortization and impairment losses. Intangible assets with finite useful lives are amortized over their estimated useful lives when they are available for use on a straight-line basis at 10% to 20%, taking into account the residual value.

Indefinite life and not available for use intangible assets are not subject to amortization, but are assessed for indicators of impairment at each reporting date.

The assets' residual value and useful lives are reviewed annually and adjusted, if appropriate, at each reporting date.

t) Impairment of non-financial assets

The Corporation's non-financial assets consist primarily of investment properties, property and equipment, intangible assets and lease assets. An impairment review is carried out at the end of each reporting year to determine if there are any indicators of impairment. When indicators of impairment exist, the Corporation assesses the asset for impairment. Investment properties are assessed for impairment as separate and identifiable cash-generating units, distinct from the other operations of the Corporation. All other assets are assessed as a group as their cash flows are generated from the operations of the Corporation. If an asset is impaired, the Corporation's carrying amount is written down to its estimated recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value In use.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If there is a change in estimate of the recoverable amount, an impairment loss is reversed to net income on the consolidated statement of comprehensive income only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation, if no impairment loss had been recognized.

u) Current and non-current classification of assets and liabilities

Assets are considered current when expected to be realized within one year of the reporting date. Liabilities are considered current when expected to be settled within one year of the reporting date. The Corporation presents the statement of financial position on basis of liquidity.

The classification of current and non-current assets and liabilities is disclosed in the notes to the consolidated financial statements.

Current assets include cash and cash equivalents, accrued interest, prepaids and other receivables, assets held for sale, financial investments, and derivative financial instruments. Non-current portion of the accrued interest, prepaids and other receivables is disclosed in note 6b.

Current liabilities include cheques outstanding, accounts payable and accrued charges, derivative financial instruments, and net bond repurchase agreements, investment related, and other liabilities. Non-current portion of the net bond repurchase agreement, investment related and other liabilities is disclosed in note 7.

v) Restatement and reclassification of prior year balances

As a result of the adoption of IFRS 17 and 9, the Corporation restated its financial statements as at March 31, 2023. The following tables summarize the prior year balances as reported and the adjustments made for restatement.

(\$ THOUSANDS)	Carrying amount			
As at March 31, 2023	As previously reported	Presentation	Measurement	Restated
Total assets	\$ 22,186,402	\$ (1,470,248)	\$ (310,404)	\$ 20,405,750
Total liabilities	(18,427,217)	1,470,248	603,472	(16,353,497)
Equity attributable to owner of the corporation	(3,752,977)		(293,068)	(4,046,045)
Equity attributable to non-controlling interest	(6,208)	-	-	(6,208)

As at March 31, 2023	IFRS 17 & 9
Write off of deferred acquisition costs asset	\$ (306,554)
Application of risk adjustment methodology	519,638
Discount rate changes	83,972
Change in reinsurance contract assets	(2,291)
Financial investments change from amortized cost to FVTPL	(1,697)
Total impact of equity attributable to owner of the corporation	\$ 293,068

The following table summarizes the impact of IFRS 9 on the classification and measurement of financial assets and liabilities on initial application date, April 1, 2023.

(\$ THOUSANDS)	Measurement category		Carrying amount		
	IAS 39	IFRS 9	IAS 39	Impact of IFRS 9	IFRS 9
As at April 1, 2023					
Cash and cash equivalents	Amortized cost	Amortized cost	\$ 25,957	\$ -	\$ 25,957
Accrued interest	Loans and receivables	FVTPL	\$ 46,717	\$ -	\$ 46,717
Other receivables					
Other receivables	Loans and receivables	Amortized cost	\$ 163,843	\$ -	\$ 163,843
Type 2 structured settlement assets	FVTPL (Designated)	FVTPL (Designated)	14,964	-	14,964
Total prepaids and other receivables			\$ 178,807	\$ -	\$ 178,807
Fixed-income investments					
Money market securities	AFS	FVTPL	\$ 976,655	\$ -	\$ 976,655
Mortgages	Amortized cost	FVTPL (Designated)	62,753	(1,697)	61,056
Mortgage funds	AFS	FVTPL	746,667	-	746,667
Bond funds	AFS	FVTPL	1,888,703	-	1,888,703
Bonds	AFS	FVTPL (Designated)	6,880,073	-	6,880,073
Equity investments					
Domestic	AFS	FVTPL	-	-	-
Global	AFS	FVTPL	4,590,725	-	4,590,725
Other financial investments					
Domestic real estate	AFS	FVTPL	967,175	-	967,175
Global real estate	AFS	FVTPL	597,968	-	597,968
Global infrastructure	AFS	FVTPL	833,980	-	833,980
Global mezzanine debt	FVTPL (Designated)	FVTPL	119,283	-	119,283
Global mezzanine debt	AFS	FVTPL	73,923	-	73,923
Private assets	AFS	FVTPL	1,421,882	-	1,421,882
Total financial investments			\$ 19,159,787	\$ (1,697)	\$ 19,158,090
Cheques outstanding	Amortized cost	Amortized cost	\$ 215,237	\$ -	\$ 215,237
Accounts payable and accrued charges	Amortized cost	Amortized cost	\$ 169,761	\$ -	\$ 169,761
Derivative financial instruments investment-related, and other liabilities	FVTPL	FVTPL	\$ 46,702	\$ -	\$ 46,702
	Amortized cost	Amortized cost	\$ 1,930,036	\$ -	\$ 1,930,036

3. Critical Accounting Estimates and Judgments

In preparation of the consolidated financial statements, the Corporation makes judgments in applying the Corporation's accounting policies. The judgments that have the most significant effect on the amounts recognized in the consolidated financial statements include the measurement of insurance contract liabilities, classification of financial instruments, and the assessment of significant influence. In addition, management makes assumptions in developing estimates in preparing the consolidated financial statements. Estimates subject to uncertainty include the LIC, the valuation of Level 3 investments, and the valuation of pension and post-retirement benefit obligations. Management believes its estimates and judgments to be appropriate; however, due to estimation uncertainty the actual results may be materially different. Particular sources of estimation uncertainty include the impacts of product reform and Enhanced Care and the related costs and savings on the LIC. Other sources of economic uncertainty include the effects of market economic conditions from the impacts of multiple conflicts internationally, persistence of inflation, and material damage supply chain and labour shortage issues. These areas of judgment and critical accounting estimates are described below.

Significant accounting estimates and judgments include:

Areas of Judgment

a) Measurement of insurance contract liabilities

The Corporation applies significant judgement when selecting the actuarial assumptions and methods used to determine the best estimate of future cash flows, including cash flows over which the entity has discretion, in measuring insurance contract liabilities related to its insurance contracts issued (note 14).

The Corporation also applies significant judgment when selecting the appropriate confidence level for risk adjustment used to calculate LIC. The risk adjustment is the compensation that the Corporation requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The method used to measure the risk adjustment is disclosed in note 2d. Judgment is also involved in selecting the illiquid premium in the discount yield curve used in discounting expected future cash flows.

b) Classification of financial instruments

Judgement is required to apply the business model criteria to investment portfolio of debt instruments. The Corporation also applied judgement to assess the relationships between its financial assets and related liabilities and to determine whether designating debt instruments at FVTPL significantly reduces an accounting mismatch.

c) Significant influence

The Corporation owns more than 20% of various investment entities. However, the Corporation does not have significant influence in any of these entities. In determining whether the Corporation has significant influence over an entity, judgment is applied considering all the facts such as

whether or not it has the power or only protective rights to exert influence over investment activities.

Estimates Subject to Uncertainty

d) Liability for incurred claims

Estimate of undiscounted future cash flows

The Corporation establishes claims liabilities to cover estimated future cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported (IBNR) and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Corporation. The ultimate cost of claims liabilities is estimated by using standard actuarial methods.

The estimation of claims development involves assessing the future behaviour of incurred claims, taking into consideration changes to the insurance product, as well as the closure rates, payment patterns, consistency of the Corporation's claims handling procedures, the legal representation status of claims, historical delays in reporting of claims, and the historical and forecasted levels of inflation. In general, the more time required for the settlement of a group of claims, the more uncertain the estimates will be. Variability can be caused by receipt of additional information, significant changes in the average cost or complexity of claims over time, significant changes in the Corporation's claims operations, the timing of claims payments, product and legal reforms with limited or no experience, and future rates of investment return and inflation. The ultimate cost of claims that settle over a long period of time is particularly challenging to forecast for several reasons, which include changes in the legal environment, case law or legislative amendments, and periods of time between the occurrence date of a claim and the date it is reported to the Corporation. The Corporation is subject to litigation arising in the normal course of conducting its insurance business, which is taken into account in establishing the LIC. Such liabilities are established by examining the facts of tendered claims and are adjusted in the aggregate to reflect ultimate loss expectations based upon historical experience patterns, current socio-economic trends and for certain claims, structured settlements that are provided in the form of consistent periodic payments as opposed to lump-sum payments.

The Corporation has considered the impacts of tort reform and the new Enhanced Care insurance model in the estimation of the LIC. The impact of these changes creates additional source of estimation uncertainty, as there is limited historical experience under the tort reform and the Enhanced Care insurance model.

Discount rate

The liability for incurred claims under the PAA is calculated by discounting expected future cash flows using a discount yield curve. The Corporation uses the bottom-up approach to derive the discount rate for future cash flows. Under this approach, the discount rate is determined as the risk free yield curve plus an illiquidity premium. The risk free yield curve is based on bond yields from Government of Canada bonds (risk-free rates). The illiquid

premium is determined by reference to observable market rates of investment grade bonds adjusted with a liquidity constant reflecting the liquidity characteristic of insurance contracts.

Risk Adjustment for non-financial risk

The risk adjustment is the compensation that the Corporation requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It reflects an amount the Corporation would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Corporation has estimated the risk adjustment for LIC based on a quantile approach which determines the risk adjustment for non-financial risks by analyzing the distribution of the losses and selecting a quantile that reflects the Corporation's risk appetite. The risk adjustment for non-financial risk is calculated as the excess of the value at risk at the 90th percentile over the expected present value of the future cash flows.

e) Valuation of pension and post-retirement benefits

The cost of pension and post-retirement benefits earned by employees is actuarially determined using the Projected Unit Credit Method and management's best estimate of future compensation levels and healthcare costs.

The key assumptions used in calculating the cost of pension and post-retirement benefits are the discount rate, rate of compensation increase, inflation rate, life expectancies and extended healthcare cost trends. Together with plan member data, these and other assumptions are used to estimate future benefit eligibility, amount and duration of payments. The rate determined for each of the key assumptions is disclosed in note 16.

The discount rate is used to calculate the present value of the expected future benefit payments and to calculate interest on the net liability. The discount rate is based on high-grade corporate bond yields at the measurement date.

The rate of compensation increase reflects individual job progression, general price level increases, productivity, seniority, promotion, and other factors.

The inflation rate assumption is based on an assessment of historical data, the Bank of Canada target inflation range and the inflation expectations implied by the Government of Canada nominal and real return long-term bond yields.

Life expectancies are based on Canadian mortality tables, and contain a provision for future longevity improvements.

The extended healthcare trend rate is based on an analysis of plan experience, assumptions about the trend in total healthcare costs, and the proportion that will be covered by private plans.

With the exception of the discount rate, which is based on market conditions at the financial statement date, all other assumptions are management's best estimate (note 16).

f) International conflicts

Multiple conflicts internationally have caused instability in the global economy and market. The Corporation has determined there is minimal impact on its business activities and financial investments. However, there is ongoing uncertainty surrounding the extent of the potential macroeconomic impact on the Corporation's investment portfolio, pension assumptions, and business activities as the conflicts continue to evolve. The Corporation continues to monitor any direct impacts.

g) 2019 legal-based product reform

Legislation was enacted on May 17, 2018 to reform the Basic insurance product to limit pain and suffering payouts for minor injuries and create an independent dispute resolution process for injury claims effective April 1, 2019 (note 20). The product reform significantly decreased claims costs associated with accidents occurring on or after April 1, 2019. Key factors that contributed to the overall reduction in claims cost pressures include: a) the limit on general damages of \$5,500 apply to minor injuries, b) the enhancements in accident benefits coverage, c) other insurance (collateral benefits) are primary for most medical and wage loss amounts when it is available and, d) bodily injury claims disputes valued up to \$50,000 are resolved by the Civil Resolution Tribunal (CRT) instead of the Supreme Court of B.C.

The impact of the product reform has been favourable and contributed to improvement in the Corporation's financial stability. Given the limited history of the product reform, there is material estimation uncertainty in the measurement of these costs. Any recognition of additional impact has been reflected in the change in estimates for losses occurring in prior years.

h) Enhanced Care

On May 1, 2021, the Corporation implemented a new care-based insurance model (note 1). The impact of the new insurance model has been reflected in the estimate of current year and prior year claims costs. Given the limited historical experience under this model, there is estimation uncertainty in the measurement of these costs.

i) Inflation

Since the beginning of fiscal year 2023, there has been unusually high inflation. Higher inflation has impacted the cost of claims, and will continue to affect the cost of open claims. Uncertainty remains surrounding the extent and duration of the unusual high inflation, adding uncertainty due to potential impacts on the Corporation's investment portfolio, pension assumptions, and claims costs.

j) Material damage supply chain and labour shortage

The COVID-19 pandemic has triggered a global shortage of vehicle parts and computer chips resulting in extensive delay in vehicle repairs. The delay is further exacerbated by the shortage of skilled labour in the car repair industry in British Columbia. The situation is not expected to resolve in the next few years. Delays in vehicle repairs, particularly when combined with the current high

inflation environment, result in estimation uncertainty in the measurement of costs associated with vehicle damage claims.

k) Valuation of level 3 investments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques and relying on significant unobservable inputs. In these cases, the fair values are estimated from observable data in respect of similar financial instruments, unobservable data using models or both. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by an external qualified personnel independent of those that sourced them (note 2i).

Inherently there is significant estimation uncertainty arising from the judgments and assumptions in determining fair value of these investments.

4. New Accounting Pronouncements

a) Standards and interpretations effective for the year ended March 31, 2024

The Corporation has adopted the standards and interpretations that are relevant to the operations of the Corporation and effective for the year ended March 31, 2024. The following summarizes the changes in accounting policies and presentation of the consolidated financial statements as a result of the adoption of the new standards.

IFRS 17 Insurance contracts

The Corporation adopted IFRS 17 retrospectively on April 1, 2023. The standard establishes the principles of recognition, measurement, presentation and disclosure of insurance and reinsurance contracts and supersedes IFRS 4, the previous IFRS for accounting for insurance contracts. It introduces a measurement model based on the estimates of the present value of future cash flow that are expected to arise as the entity fulfills the contract and an explicit risk adjustment for non-financial risk. The Premium Allocation Approach (PAA) is an optional simplified measurement model that is also available for insurance and reinsurance contracts that meet the eligibility criteria.

The Corporation has qualified and has elected to apply the PAA model for all of its insurance and reinsurance contracts. The key changes of the Corporation's accounting policies resulting from IFRS 17 are as follows:

Level of aggregation - Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. The level of aggregation requirements in IFRS 17 limit the offsetting of profitable contracts against onerous ones. Compared with the level at which the liability adequacy test is performed under IFRS 4 (i.e. at an overall entity level rather than group of contracts level), the level of aggregation under IFRS 17 is more granular and

may result in more contracts being identified as onerous and losses on onerous contracts being recognized sooner.

Deferral of acquisition cost – Insurance acquisition cash flow are costs that are directly attributable to selling or underwriting a portfolio of insurance contract. The Corporation previously recognized all acquisition costs as deferred acquisition costs and amortized throughout the life of the contract. For insurance contracts that are recognized using PAA and less than one year in length, IFRS 17 provides the option to expense acquisition cost as incurred. Under IFRS 17, the Corporation expenses eligible insurance acquisition cash flow when incurred.

Discount rate – IFRS 17 requires the use of a discount rate that reflects the characteristics of insurance contract liability when measuring LIC. Previously, the Corporation uses a discount rate that reflects its investment portfolio.

Risk adjustment – IFRS 17 requires the fulfillment cash flow to include a risk adjustment for non-financial risk. Previously, under IFRS 4, the Corporation includes a provision for adverse deviations (PfAD) to recognize the uncertainty in establishing best estimate of amounts required to settle all unpaid claims.

Under IFRS 17, insurance and reinsurance contracts that are assets or liabilities at a portfolio level are presented separately. LIC and LRC are also presented separately as a single line item “Insurance contract liabilities” in the consolidated statement of financial position. Under the PAA, unearned premium and premium receivables are part of the LRC.

For the consolidated statement of comprehensive income, insurance service result and insurance financial result from other sources of income/expense (i.e. investment and other) are separately presented. Under IFRS 17, expenses are classified as insurance acquisition cash flow and fulfillment cash flow within insurance or as other expenses when they are not directly attributable to insurance contracts. As a result, a portion of expenses classified as insurance operating expenses under IFRS 4 is now presented as other operating expenses under IFRS 17.

There are no significant changes in the consolidated statement of changes in equity and cash flow for the Corporation as a result of IFRS 17 except for the impact of IFRS transition captured in the opening balance of retained earnings.

In addition, IFRS 17 requires extensive new disclosures about amounts recognized in the financial statements including detailed reconciliations of contracts as well as disclosures about significant judgments made when applying IFRS 17. Disclosures are generally made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the consolidated financial statements.

IFRS 9 *Financial instruments*

The Corporation adopted IFRS 9 retrospectively on April 1, 2023. IFRS 9 brings together the classification and measurement, impairment and hedge accounting to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 introduces a principles-based approach to the classification of financial assets generally based on an entity's business model and the nature of the cash flows of the asset. IFRS 9 also replaces the incurred loss model in IAS 39 for the recognition of impairment with a forward-looking ECL model. This requires considerable judgment about how changes in economic factors affect the ECL, which are determined on a probability-weighted basis. The new impairment model does not have a significant impact on the Corporation since most financial assets will be valued in FVTPL.

For financial liabilities, IFRS 9 largely retains the existing requirements for the initial recognition, classification, and measurement of financial liabilities as compared to IAS 39.

b) Standards and interpretations issued but not yet effective and not early adopted

Standards and interpretations issued that are relevant to the operations of the Corporation, but not yet effective include:

- *IFRS 10 Consolidated Financial Statements and IAS 28 Long term Interests in Associates and Joint Ventures (Amendment)*. Effective for the annual periods beginning on or after a date to be determined by IFRS; early adoption is permitted. Changes to these standards amend the accounting for sales or contribution of assets between an investor and its associate or joint ventures, and accounting guidance for a parent in the loss of control of a subsidiary. The adoption is not expected to have a material impact on the Corporation's consolidated financial statements.
- *IFRS 18 Presentation and Disclosure in Financial Statements*. Effective for the annual periods beginning on or after January 1, 2027, and replaces *IAS 1 Presentation of Financial Statements*. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The adoption is not expected to have a material impact on the Corporation's consolidated financial statements.

5. Investments

a) Financial investments

(\$ THOUSANDS)		Financial Investments			
Measurement category	Investments In Pooled Funds	Investments Held Directly	Investments Held Through Investment Entities	Total Carrying Value	
March 31, 2024					
Fixed-income investments					
Money market funds	FVTPL	\$ 858,697	\$ -	\$ 62	\$ 858,759
Mortgages	FVTPL (Designated)	-	52,547	-	52,547
Mortgage funds	FVTPL	597,181	-	251,574	848,755
Bond funds	FVTPL	3,117,667	-	-	3,117,667
Bonds					
Federal	FVTPL (Designated)	-	1,597,260	-	1,597,260
Provincial	FVTPL (Designated)	-	675,397	-	675,397
Municipal	FVTPL (Designated)	-	9,807	-	9,807
Corporate	FVTPL (Designated)	-	1,622,242	-	1,622,242
Total bonds		-	3,904,706	-	3,904,706
Total fixed-income investments		4,573,545	3,957,253	251,636	8,782,434
Equity investments					
Global	FVTPL	4,137,960	-	-	4,137,960
Total equity investments		4,137,960	-	-	4,137,960
Other financial investments					
Domestic real estate	FVTPL	960,089	-	-	960,089
Global real estate	FVTPL	1,076	-	557,015	558,091
Global infrastructure	FVTPL	126,066	-	1,117,807	1,243,873
Global mezzanine debt	FVTPL	155,155	-	-	155,155
Private assets	FVTPL	1,270,484	-	712,424	1,982,908
Total other financial investments		2,512,870	-	2,387,246	4,900,116
Total financial investments		\$ 11,224,375	\$ 3,957,253	\$ 2,638,882	\$ 17,820,510
March 31, 2023					
Fixed-income investments					
Money market funds	FVTPL	\$ 976,655	\$ -	\$ -	\$ 976,655
Mortgages	FVTPL (Designated)	-	61,056	-	61,056
Mortgage funds	FVTPL	558,705	-	187,962	746,667
Bond funds	FVTPL	1,888,703	-	-	1,888,703
Bonds					
Federal	FVTPL (Designated)	-	2,985,409	-	2,985,409
Provincial	FVTPL (Designated)	-	1,179,487	-	1,179,487
Municipal	FVTPL (Designated)	-	-	-	-
Corporate	FVTPL (Designated)	-	2,715,177	-	2,715,177
Total bonds		-	6,880,073	-	6,880,073
Total fixed-income investments		3,424,063	6,941,129	187,962	10,553,154
Equity investments					
Global	FVTPL	4,590,725	-	-	4,590,725
Total equity investments		4,590,725	-	-	4,590,725
Other financial investments					
Domestic real estate	FVTPL	967,175	-	-	967,175
Global real estate	FVTPL	1,788	-	596,180	597,968
Global infrastructure	FVTPL	83,208	-	750,772	833,980
Global mezzanine debt	FVTPL	193,206	-	-	193,206
Private assets	FVTPL	967,919	-	453,963	1,421,882
Total other financial investments		2,213,296	-	1,800,915	4,014,211
Total financial investments		\$ 10,228,084	\$ 6,941,129	\$ 1,988,877	\$ 19,158,090

The Corporation's investment in pooled funds are denominated 96.9% (2023 – 95.8%) in Canadian dollars. The Corporation's investment held through investment entities are denominated 100.0% (2023 – 100.0%) in Canadian dollars. The above equity and other financial investment disclosure presents the Corporation's interest in pooled funds and investments held through investment entities by looking through the funds, and classifying by the type of the underlying investments, which is consistent with how the Corporation manages risk and monitors performance.

Pooled funds and investments held through investment entities

The Corporation invests in pooled funds and investments held through investment entities. The investment strategies of some of these funds and investments include the use of leverage. As at March 31, 2024, the Corporation's interest in pooled funds range from 0.1% to 29.3% (2023 – 0.1% to 37.3%) and investments held through investment entities range from 7.0% to 100.0% (2023 – 7.0 % to 100.0%) of the net assets of the respective funds and investments. The funds and investments are managed by external asset managers. The Corporation has a percentage ownership in each of the pooled funds and investments that entitle the Corporation to a proportional share in the respective fund's net assets. The carrying value of the Corporation's investments in pooled funds and investments held through investment entities as at March 31, 2024 is \$13.86 billion (2023 – \$12.22 billion).

The Corporation's maximum loss exposure from its interests in the pooled funds and investments held through investment entities is equal to the total fair value of these investments.

Asset-backed securities

The Corporation may purchase bonds that are secured by various assets as part of its investment strategy. The majority of the bonds, issued by Canadian corporate entities and secured by credit card, auto, or equipment receivables, are called asset-backed securities. As at March 31, 2023, the carrying value of asset-backed securities included in financial investments is \$64.0 million. As at March 31, 2024, the Corporation has no investment in asset-backed securities.

The carrying value of mortgage-backed securities included in financial investments in the consolidated statement of financial position as at March 31, 2024 is \$33.5 million (2023 – nil). The weighted-average duration of the mortgage-backed securities in the Corporation's portfolio is 1.2 years and the coupon interest rates range from 1.0% to 1.2%.

b) Investment properties

The movement in the carrying value of investment properties is as follows:

(\$ THOUSANDS)	2024		2023	
Cost				
Balance, beginning of year	\$	419,221	\$	354,705
Capital improvements		24,487		12,122
Reclassification to assets held for sale		(53,216)		(62,185)
Reverted from assets held for sale to investment properties		-		182,697
Disposals		(69,067)		(62,641)
Impairment loss		(5,159)		(5,477)
Balance, end of year		<u>316,266</u>		<u>419,221</u>
Accumulated depreciation				
Balance, beginning of year		113,430		99,661
Depreciation		19,698		21,802
Reverted from assets held for sale to investment properties		-		31,584
Disposals		(14,120)		(18,043)
Reclassification to assets held for sale		(37,026)		(21,574)
Balance, end of year		<u>81,982</u>		<u>113,430</u>
Carrying value, end of year	\$	234,284	\$	305,791

The fair value of investment properties is \$0.32 billion (2023 – \$0.43 billion) and based on the inputs to the valuation technique used, the valuation of these investment properties is Level 3. As at March 31, 2024 and March 31, 2023, the estimated fair value is based on independent appraisals, by professionally qualified external valuers or using the income approach to estimate fair value through the direct capitalization method and/or the discounted cash flow analysis as determined by an external investment manager.

As at March 31, 2024, two (2023 – four) investment properties remain in assets held for sale.

c) Lease income

The Corporation leases out its investment properties. As of March 31, 2024, the future minimum lease cash receipts under non-cancellable leases over the next five years and beyond are as follows:

(\$ THOUSANDS)	2024		2023	
	Lease Income	Net Present Value	Lease Income	Net Present Value
Up to 1 year	\$ 18,523	\$ 17,582	\$ 21,849	\$ 20,860
Greater than 1 year, up to 5 years	51,528	43,570	53,646	46,282
Greater than 5 years	15,853	11,595	22,212	16,824
	<u>\$ 85,904</u>	<u>\$ 72,747</u>	<u>\$ 97,707</u>	<u>\$ 83,966</u>

6. Financial Assets and Liabilities

a) Fair value hierarchy

The following table presents the fair value hierarchy for financial assets and liabilities measured at fair value in the consolidated statement of financial position. During fiscal years 2024 and 2023, there were no transfers between Level 1, Level 2 and Level 3. The Corporation's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

	Fair Value Measurements at Reporting Date			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(\$ THOUSANDS)				
March 31, 2024				
Cash and cash equivalents	\$ 12,969	\$ -	\$ 12,969	\$ -
Fixed-income investments	8,782,434	-	7,881,132	901,302
Equity investments	4,137,960	-	3,342,294	795,666
Other financial investments	4,900,116	-	-	4,900,116
Total financial assets	\$ 17,833,479	\$ -	\$ 11,236,395	\$ 6,597,084
March 31, 2023				
Cash and cash equivalents	\$ 25,957	\$ -	\$ 25,957	\$ -
Fixed-income investments	10,553,154	-	9,745,431	807,723
Equity investments	4,590,725	-	4,590,725	-
Other financial investments	4,014,211	-	-	4,014,211
Total financial assets	\$ 19,184,047	\$ -	\$ 14,362,113	\$ 4,821,934

Cash and cash equivalents (Level 2) is valued using the end of day exchange rates. Level 2 equity investments are valued using net asset value or pricing matrices derived from yield quotations, or if one does not exist, cost plus accrued interest. Bonds and money market pooled fund within Level 2 fixed-income investments are valued using the quoted market price or dealer quotes for similar instruments exchanged in active markets.

The table below shows the movement of financial assets where fair value has been determined based upon significant unobservable inputs (Level 3).

The fair values of the real estate pooled investments are provided by the investment managers and are based on the appraised or calculated market value plus the net assets and liabilities combined with any cash flows. The global mezzanine debt fund's valuations are provided by the investment managers and are based on the discounted cash flow method using yields of assets with similar characteristics combined with cash flows. The global infrastructure valuations are provided by the investment manager and are based on various methods such as the discounted cash flows, appraisals and audited financial statements. The private fixed-income funds and private equity funds valuations are provided by the investment manager and are based on the observed external price, if one exists, or if one does not exist, discounted cash flows using the yields of externally priced comparable private or public fixed-income assets. The fair value of

directly held mortgages is determined to be consistent with Level 3 investments based on the inputs to the valuation technique used (note 2i). The consolidated mortgage fund's value is provided by the investment manager and is based on a discounted cash flow that uses a risk-free rate of return and a mortgage credit spread for the underlying fixed term mortgages. For its underlying variable mortgages, valuations are based on the principal balance plus accrued interest and for other mortgage investments, valuations may be based on audited financial statements and discounted cash flows.

(\$ THOUSANDS)	Fair Value Measurements using Level 3 Inputs	
	Equities and Other Financial Investments	
March 31, 2024		
Balance, beginning of year	\$	4,821,934
Additions		2,715,108
Disposals		(1,054,824)
Market value adjustment		114,866
Balance, end of year	\$	6,597,084
March 31, 2023		
Balance, beginning of year	\$	3,969,529
Additions		2,124,628
Disposals		(1,405,137)
Market value adjustment		132,914
Balance, end of year	\$	4,821,934

The fair value of derivative instruments not designated as accounting hedges is as follows:

(\$ THOUSANDS)	2024		2023	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Non-designated derivative instruments				
Assets				
Interest rate swap - investment properties	\$ 91,850	\$ 804	\$ -	\$ -
	\$ 91,850	\$ 804	\$ -	\$ -
Liabilities				
Forward contracts	\$ 2,360,156	\$ 8,947	\$ 2,387,682	\$ 45,598
Foreign exchange swaps	-	-	260,000	357
Interest rate swap - investment properties	-	-	91,850	747
	\$ 2,360,156	\$ 8,947	\$ 2,739,532	\$ 46,702

The Corporation uses foreign exchange forward contracts and swaps to hedge the foreign exchange risks associated with its foreign currency financial investments. The Corporation entered into an interest rate swap to naturally hedge the interest rate of one of the investment properties' mortgages. Other than the interest rate swap associated with one of the investment properties' mortgages, all forward contracts and swaps have settlement dates within one year.

The non-designated derivative financial instruments are classified as Level 2. Forward contracts are valued based on the difference between the forward rate at the contract initiation date and the remaining forward term rate on the reporting date. Swap contracts are valued at the present value of their expected cash flows on the reporting date.

b) Other financial assets

Other financial assets include accrued interest and prepaids and other receivables. The fair values of the other financial assets approximate their carrying values due to their short-term nature, except for the fair value of the structured settlements, which is based on present value of future cash flows.

(\$ THOUSANDS)	2024	2023
Prepaids	\$ 43,907	\$ 43,289
Other receivables	263,897	178,807
	\$ 307,804	\$ 222,096
Accrued interest	28,497	46,717
Total other financial assets	\$ 336,301	\$ 268,813
Non-current portion	\$ 16,425	\$ 17,895

c) Financial liabilities

Financial liabilities include cheques outstanding, accounts payable and accrued charges, net bond repurchase agreements, investment-related and other liabilities, and lease liabilities. All financial liabilities are carried at cost or amortized cost. Except for lease liabilities, investment-related and other liabilities, the fair values of financial liabilities approximate their carrying values due to their short-term nature. The estimation of fair value of investment-related and other liabilities is discussed in note 7, and for lease liabilities in note 8.

As at March 31, 2024, the general ledger bank balances representing deposits in transit were \$212.7 million (2023 – \$159.9 million) and the general ledger bank balances representing outstanding cheques were \$425.2 million (2023 – \$375.1 million), netting to a cheques outstanding balance of \$212.5 million (2023 – \$215.2 million) on the consolidated statement of financial position.

7. Net Bond Repurchase Agreements, Investment Related and Other Liabilities

(\$ THOUSANDS)	2024	2023
	Carrying Value	Carrying Value
Net bond repurchase agreements	\$ -	\$ 1,772,205
Investment-related liabilities	97,047	105,728
Other liabilities	160,463	52,103
Total net bond repurchase agreements, investment-related, and other liabilities	\$ 257,510	\$ 1,930,036
Non-current portion	\$ 97,249	\$ 97,047

Investment-related liabilities are comprised of mortgage payable of \$97.0 million (2023 – \$105.7 million) with repayment terms ranging from within two years to five years (2023 – one year to six years) and interest rates ranging from 4.6% to 7.2% (2023 – 4.6% to 7.3%). The fair value of investment-related liabilities approximates carrying value. Other liabilities consist of accrued interest payable and unsettled trades. All of these liabilities are classified as Level 3 under the fair value hierarchy.

Estimated principal repayments for investment-related and other liabilities are as follows:

(\$ THOUSANDS)	2024		2023	
Up to 1 year	\$	160,261	\$	60,784
Greater than 1 year, up to 5 years		92,873		92,477
Greater than 5 years		4,376		4,570
	\$	257,510	\$	157,831

8. Lease Liabilities

Lease liabilities are as follows:

(\$ THOUSANDS)	2024		2023	
Up to 1 year	\$	12,983	\$	11,406
Greater than 1 year, up to 5 years		34,384		34,805
Greater than 5 years		19,324		12,593
Total undiscounted lease liabilities balance, end of year	\$	66,691	\$	58,804
Total discounted lease liabilities balance, end of year	\$	57,125	\$	52,313
Current	\$	12,511	\$	10,784
Non-current	\$	44,614	\$	41,529

The fair value of lease liabilities is the present value of cash flows over the remaining term of the leases.

As at March 31, 2024, the Corporation did not have any leases committed to but not yet commenced (note 23). As at March 31, 2024, the Corporation had committed to facilities-related expenses associated with leased properties, over the next five years and beyond, at a net present value of \$30.5 million (2023 – \$31.6 million).

9. Management of Insurance and Financial Risk

As a provider of vehicle insurance products, effective risk management is fundamental in protecting earnings, cash flow, and ultimately the financial stability of the Corporation. The Corporation is exposed to various types of insurance and financial risks including risks of uncertainty resulting from the international conflicts and other economic uncertainties (note 3).

a) Insurance risk

The principal risk that the Corporation faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events have an element of randomness and the actual number and amount of claims and benefits will vary each year from the level established using statistical techniques.

The introduction of the new care-based insurance model has increased the insurance risk as the insurance liabilities for new injury claims under the care model must be established with only limited direct historical experience. The Corporation has considered relevant experience from other jurisdictions with similar products in determining the appropriate amount of the insurance liabilities. Actual results may be materially different and take many years to emerge.

Frequency is the average number of claims per policy, calculated by dividing the total number of claims by the total number of policies. Severity is the average cost of a claim calculated by dividing the total cost of claims by the total number of claims. There are a number of factors that influence the frequency and severity of claims.

Some factors are affected by the actions of the Corporation and a number of strategies are used to try and reduce cost pressures created by these factors, including claims operational changes, road safety programs, programs to influence driver behaviour such as impaired driving and distracted driving programs, public awareness campaigns, auto crime reduction initiatives, and fraud detection and investigation.

There are other factors that the Corporation has little or no control over, including weather, demographics, court issued settlement awards, plaintiff legal fees, pandemic events, and economic changes, including vehicle parts/repair inflation, supply chain issues and medical expense inflation that influence the cost of claims.

Sources of uncertainty in the estimation of the liability for incurred claims

To manage the uncertainty associated with estimating the LIC, the Corporation's Chief Actuary employs standard actuarial methods. The estimation of the LIC is determined in accordance with accepted actuarial practice in Canada and is based on reasonable assumptions and appropriate methods that are consistently applied (note 3d), giving appropriate consideration to relevant changes in circumstances such as the 2019 legal-based product reform (note 3g), the new care-based insurance model (note 3h), high inflation (note 3i), and material damage supply chain issues and labour shortage (note 3j).

There is an inherent uncertainty regarding the assumptions to estimate the amount and timing of future claims payments that make up the liabilities for incurred claims. The Corporation is liable for all insured events that occurred during the term of the insurance contract, even if the loss is reported after the end of the contract term. In addition, injury claims may take a long period of time to settle.

Injury claims include bodily injury, accident benefits, and enhanced accident benefits, which account for approximately 37% (2023–40%) of current year claims costs, and 88% (2023–93%) of the LIC. The timing of payments of injury claims can be extended due to delayed reporting, as

well as extended recovery time required for severe injuries, and the timing and amount of injury payments can exhibit considerable uncertainty because of the complex bodily injury claims environment, including the legal environment.

The Corporation's LIC can be affected by the frequency and severity of claims, the discount rate, and actuarial methods and assumptions. The frequency and severity of claims are discussed above, while the discount rate and the actuarial methods and assumptions are discussed in notes 3 and 14.

Concentration of insurance risk

The Corporation has a diverse customer base as the sole provider of Basic insurance to all drivers in British Columbia. The Corporation operates in one provincial jurisdiction and provides vehicle insurance only, so there is a concentration of insurance risk with respect to geography, jurisdiction, and product type.

The impact of the concentration of insurance risk is quantified through Catastrophe modeling that the Corporation's reinsurance broker updates annually. This testing allows the Corporation to assess, monitor and manage these risks effectively. The concentration of insurance risk is also managed through an Automobile property damage catastrophe reinsurance treaty, a casualty catastrophe reinsurance treaty, and road safety programs such as road improvement strategies, the graduated licensing program, and the distracted driving campaign. As the sole provider of Basic insurance, the Corporation invests in and benefits the most from these programs.

Premium pricing risk

The Corporation is the sole provider of Basic insurance and is not subject to competitive risk for its Basic insurance product. Basic insurance rates are set to cover costs after considering investment returns. Because the insurance rates are determined based on forward-looking estimates of costs, the unfavourable variance in costs, in particular claims costs, may result in Basic insurance premiums not being sufficient to cover costs.

The Corporation is subject to legislative requirements with respect to Basic insurance and applies to the BCUC for approval to change its Basic insurance rate. The Corporation is required to make Basic insurance rate applications and the BCUC is required to approve rates set according to accepted actuarial practice. These legislated requirements mitigate the underwriting risk associated with pricing for the Basic insurance product.

For the 2023 policy year, the Corporation has applied to the BCUC for a Basic rate change of 0.0%. The Basic rate application includes a government-directed capital provision equal to an amount of 7.0% of required premium, which is expected to allow the Corporation to continue to rebuild its depleted capital over the 24-month term of policy year 2023 (note 21).

The Corporation's Optional insurance products compete with other insurers and are subject to underwriting risk and competitive risk.

b) Financial risk**Concentration of financial risk**

The Corporation establishes investment portfolio level targets and limits with the objective of ensuring that portfolios are diversified across asset classes and individual investment risks. The Corporation reviews investment positions and risk exposures for concentration risk.

As at March 31, 2024, the equity and other financial investments portfolios were 29.0% (2023 – 28.6%) invested in the real estate sector, 12.6% (2023 – 12.9%) in the information technology sector, and 11.1% (2023 – 10.4%) in the financial sector. The bond portfolio was 56.0% (2023 – 50.2%) invested in the government sector and 19.1% (2023 – 24.1%) invested in the financial sector. See credit risk for a discussion of the government bonds.

Concentration of geographical risk

Geographical concentration risk arises when the investments are located in the same geographical region. The Corporation reduces geographical concentration risk by dispersing the investments in more than one geographical region. The Corporation is invested in diversified global pooled funds. As at March 31, 2024, the investment portfolio was 57.6% (2023 – 62.1%) invested in Canada, 30.8% (2023 – 26.0%) invested in the United States, and 11.6% (2023 – 11.9%) was invested elsewhere around the world.

Price risk

General economic conditions, political conditions, and other factors affect the equity markets, thereby also affecting the fair value of the equity investments, fixed-income funds, and other financial investments held by the Corporation. Fluctuations in the value of these investments impact the recognition of both unrealized and realized gains and losses on units of funds held. As at March 31, 2024, the impact of a 10% change in prices, with all other variables held constant, would result in an estimated corresponding change to profit or loss for equity investments, fixed-income funds, and other financial investments of approximately \$1.39 billion (2023 – \$1.22 billion).

The Corporation holds a widely diversified portfolio, diversified geographically, by sector, and by company, and has policies in place to limit and monitor total equity exposure and individual issuer exposure.

Interest rate risk

When interest rates increase or decrease, the market value of fixed-income investments will decrease or increase respectively with a larger market value impact on instruments with a long duration compared to instruments with a short duration. Fluctuations in interest rates have a direct impact on the market valuation of the Corporation's directly held fixed-income portfolio. The Corporation is also indirectly exposed to interest rate risk through its investments in fixed-income pooled funds and fixed-income investments held through investment entities.

Fluctuation in interest rates also have an impact on the measurement of the discounted LIC. When interest rates increase or decrease, discounted LIC will decrease or increase respectively with a larger impact on claims with a longer expected payout term compared to claims with a shorter expected payout term.

The Corporation has policies in place to limit and monitor its exposure to interest rate risk in relation to the duration of its insurance contract liabilities.

The carrying values reported in the consolidated statement of financial position for cash and cash equivalents, other receivables, accounts payable and accrued charges, approximate their fair values and are not significantly impacted by fluctuations in interest rates.

In fiscal years 2024 and 2023, the Corporation did not use material derivative financial instruments to hedge interest rate risk on its investment portfolio.

The following table outlines the impacts on the Corporation's net income resulting from specific changes in interest rates as at March 31, 2024 and 2023:

As at March 31, 2024	Net income	
	100 bps Increase	100 bps Decrease
Liabilities for incurred claims	\$ 298,611	\$ (333,689)
Financial investments ¹	(102,567)	102,567
Total	\$ 196,044	\$ (231,122)
As at March 31, 2023		
	Net income	
	100 bps Increase	100 bps Decrease
Liabilities for incurred claims	\$ 354,445	\$ (394,055)
Financial investments ¹	(181,734)	181,734
Total	\$ 172,711	\$ (212,321)
¹ Bonds and directly owned mortgage investments, which have direct exposure to interest rate risk.		

Credit risk

Credit risk is the potential for financial loss to the Corporation if the counterparty in a transaction fails to meet its obligations. Financial instruments that potentially give rise to concentrations of credit risk include cash and cash equivalents, fixed-income investments, other receivables, and structured settlements. The Corporation has credit risk arising from the premium to be received included in the insurance contract and reinsurance contract assets. The Corporation is also indirectly exposed to credit risk through its investments in fixed-income pooled funds and fixed-income investments held through investment entities. The total direct credit risk exposure is \$3.86 billion (2023– \$5.64 billion).

Fixed-income investments

Fixed-income investments with direct exposure to credit risk are comprised of directly held bonds and mortgages. The Corporation mitigates its overall exposure to credit risk in its fixed-income investments by holding the majority of its directly held fixed-income portfolio in investment grade bonds, and by limiting fixed-income credit investments to a maximum of 24.0% (2023 – 28.0%) of total investment assets. Credit risk in mortgages is mitigated by the security of the underlying mortgaged property.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates.

The maximum credit risk exposure for fixed-income investments pertain to directly held bond investments and to directly held mortgage investments; however, the Corporation considers Canadian government bonds to be risk-free. Therefore, the total fair value is \$2.36 billion (2023 – \$3.96 billion). There is minimal credit risk exposure to cash.

The counterparty risk associated with repurchase agreements is not material.

The Corporation's bonds by credit quality according to Standard and Poor's are as follows:

(\$ THOUSANDS)	2024	2023
Bonds		
AAA	\$ 1,689,522	\$ 3,049,389
AA	280,835	677,047
A	1,402,541	2,226,728
BBB	531,808	926,909
	<u>\$ 3,904,706</u>	<u>\$ 6,880,073</u>

Directly held bond and mortgage investments are designated as FVTPL. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets. A fair value loss of \$nil for the fiscal year ended March 31, 2024 and 2023 is reflected in changes in fair value on financial investments related to significant credit events occurring on assets designated as FVTPL.

Premium to be received and other receivables

The Corporation has a diverse customer base as it is the sole provider of Basic insurance to all drivers in British Columbia. While there is no significant individual concentration of credit risk, the Corporation's premiums to be received are comprised of customers with varying financial conditions. The credit risk for premium to be received is mitigated as a customer's policy may be cancelled if the customer is in default of a payment.

Other receivables, comprise mostly of broker receivables, investments related receivables and receivables collected on behalf of the Province of BC, are considered short term in nature and

low probability of default. The maximum credit risk for all other receivables equals their carrying amount.

The collectability of premium to be received is considered within the cash flows in the measurement of LRC. As at March 31, 2024, the Corporation considered \$149.3 million (2023 – \$138.0 million) of its premium to be received to be uncollectible.

Reinsurance contract assets

Failure of reinsurers to honour their obligations could result in losses to the Corporation. The maximum credit risk exposure equals the carrying amount of \$35.4 million (2023 – \$36.7 million). The Corporation has policies that require reinsurers to have a minimum credit rating of A-. No single reinsurer represents more than 25% of the total reinsurance placement in a contract year. Both these items mitigate the Corporation’s exposure to credit risk. No amount owing from the reinsurers was considered impaired as at March 31, 2024 or March 31, 2023.

(\$ THOUSANDS)	2024		2023	
Assets for remaining coverage	\$	33	\$	4,272
Assets for incurred claims		35,375		32,397
Reinsurance contract assets (note 15)	\$	35,408	\$	36,669

Liquidity risk

A significant business risk of the insurance industry is the uncertain ability to match the cash inflows from premiums and the investment portfolio with the cash requirements of the policy liabilities and operating expenses. The timing of most policy liability payments is not known, may take considerable time to determine precisely, and may be paid in partial payments.

Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. The majority of financial liabilities, except for the LIC, pension and post-retirement benefits, lease liabilities, and investment-related liabilities, are due within one year. The Corporation generally maintains positive overall cash flows through cash generated from operations as well as cash generated from its investing activities. Where overall cash flows are negative, the Corporation maintains sufficient liquid assets to cover any shortfall from operations. In addition, the Corporation has a netting arrangement with its banks that permits positive bank balances to be offset against negative bank balances.

Liquidity risk is primarily controlled by holding government bonds and other highly liquid investments, which can be readily sold. In addition, the Corporation takes into account the overall historical liability settlement pattern and the historical cash in-flows as a basis to broadly define diversification and duration characteristics of the investment portfolio. The following table summarizes the maturity profile of the Corporation’s fixed-income investments by contractual maturity or expected cash flow dates:

(\$ THOUSANDS)				
	Within One Year	One Year to Five Years	After Five Years	Total
March 31, 2024				
Bonds				
Canadian				
Federal	\$ -	\$ 1,582,094	\$ 15,166	\$ 1,597,260
Provincial	-	675,397	-	675,397
Municipal	-	9,807	-	9,807
Corporate	302,169	1,140,234	179,839	1,622,242
Total bonds	302,169	3,407,532	195,005	3,904,706
Mortgages	47,905	4,642	-	52,547
	\$ 350,074	\$ 3,412,174	\$ 195,005	\$ 3,957,253
March 31, 2023				
Bonds				
Canadian				
Federal	\$ -	\$ 2,985,409	\$ -	\$ 2,985,409
Provincial	-	1,179,487	-	1,179,487
Municipal	-	-	-	-
Corporate	355,473	2,236,805	122,899	2,715,177
Total bonds	355,473	6,401,701	122,899	6,880,073
Mortgages	7,944	53,112	-	61,056
	\$ 363,417	\$ 6,454,813	\$ 122,899	\$ 6,941,129

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation has direct foreign exchange risk on its US pooled fund investments. A 10% change in the US exchange rate as at March 31, 2024 would change the fair value of the US pooled fund investments and result in a change to profit or loss of \$34.5 million (2023 – \$43.3 million). However, this is mitigated by the use of forward contracts and swaps (note 6a). The Corporation does not have direct foreign exchange risk on its money market securities, global equity, global real estate, mortgage funds, and infrastructure & renewable resources investments; however, the Corporation is exposed to indirect foreign exchange risk.

The Corporation has policies in place to limit and monitor its exposure to currency risks.

10. Investment Income and Net Insurance Finance Expenses

(\$ THOUSANDS)	2024	2023
Interest income		
Fixed-income investments	\$ 472,354	\$ 368,350
Other financial investments	14,046	16,002
	<u>486,400</u>	<u>384,352</u>
Dividends, distributions, and other income (expenses)		
Equity investments	256,692	126,580
Other financial investments	227,615	205,603
Income from investment properties	4,742	7,876
Impairment loss - investment properties	(5,159)	(5,477)
Investment management fees	(39,168)	(33,683)
Other	(71,924)	23,649
	<u>372,798</u>	<u>324,548</u>
Gains (losses) on investments		
Fixed-income investments	(153,244)	(280,513)
Equity investments	76,271	89,749
Other financial investments	(40,871)	(52,005)
	<u>(117,844)</u>	<u>(242,769)</u>
Unrealized gains (losses) from fair value changes		
Financial investments	648,353	(85,962)
Derivative financial instruments	37,009	(68,579)
	<u>685,362</u>	<u>(154,541)</u>
Total investment income	<u>\$ 1,426,716</u>	<u>\$ 311,590</u>

(\$ THOUSANDS)	2024	2023
Amounts recognized in investment income for investment properties		
Rental income	\$ 42,753	\$ 54,309
Direct operating expenses that generated rental income	(38,174)	(45,541)
Direct operating expenses (recoveries) that did not generate rental income	163	(892)
Income from investment properties	4,742	7,876
Gain on sale of investment properties	9,675	69,567
Total amount recognized in investment income	<u>\$ 14,417</u>	<u>\$ 77,443</u>

(\$ THOUSANDS)	2024	2023
Insurance finance expenses		
Finance expenses from insurance contracts	\$ (431,470)	\$ (106,686)
Finance income from reinsurance contracts	1,094	416
Net insurance finance expenses	<u>\$ (430,376)</u>	<u>\$ (106,270)</u>

During fiscal year 2024, net investment income from financial investments designated as FVTPL is \$136.0 million (2023 - \$75.2 million).

11. Property and Equipment

(\$ THOUSANDS)	Land	Buildings	Furniture & Equipment	Leasehold Improvements	Total
March 31, 2024					
Cost					
Balance, beginning of year	\$ 30,448	\$ 178,722	\$ 123,324	\$ 30,051	\$ 362,545
Additions	-	3,055	8,153	3,025	14,233
Disposals	(5,386)	(905)	(4,842)	(285)	(11,418)
Balance, end of year	25,062	180,872	126,635	32,791	365,360
Accumulated depreciation					
Balance, beginning of year	-	154,134	81,932	18,968	255,034
Disposals	-	(905)	(4,842)	(285)	(6,032)
Depreciation charge for the year	-	2,303	10,406	2,924	15,633
Balance, end of year	-	155,532	87,496	21,607	264,635
Net book value, end of year	\$ 25,062	\$ 25,340	\$ 39,139	\$ 11,184	\$ 100,725
March 31, 2023					
Cost					
Balance, beginning of year	\$ 30,699	\$ 182,518	\$ 135,901	\$ 28,001	\$ 377,119
Additions	-	923	10,004	2,058	12,985
Disposals	(251)	(4,719)	(22,581)	(8)	(27,559)
Balance, end of year	30,448	178,722	123,324	30,051	362,545
Accumulated depreciation					
Balance, beginning of year	-	156,141	94,155	16,237	266,533
Disposals	-	(4,311)	(22,579)	(5)	(26,895)
Depreciation charge for the year	-	2,304	10,356	2,736	15,396
Balance, end of year	-	154,134	81,932	18,968	255,034
Net book value, end of year	\$ 30,448	\$ 24,588	\$ 41,392	\$ 11,083	\$ 107,511

12. Lease Assets

(\$ THOUSANDS)	Leased Facilities	Leased Equipment	Leased Computer Hardware	Leased Computer Software Intangibles	Total
March 31, 2024					
Cost					
Balance, beginning of year	\$ 73,489	\$ 2,802	\$ 5,875	\$ 28,796	\$ 110,962
Additions	9,468	60	-	9,250	18,778
Disposals	(2,202)	-	-	-	(2,202)
Balance, end of year	80,755	2,862	5,875	38,046	127,538
Accumulated depreciation					
Balance, beginning of year	31,557	2,722	2,121	19,799	56,199
Disposals	(2,202)	-	-	-	(2,202)
Depreciation charge for the year	7,831	34	1,043	6,172	15,080
Balance, end of year	37,186	2,756	3,164	25,971	69,077
Net book value, end of year	\$ 43,569	\$ 106	\$ 2,711	\$ 12,075	\$ 58,461
March 31, 2023					
Cost					
Balance, beginning of year	\$ 62,812	\$ 2,805	\$ 4,051	\$ 28,796	\$ 98,464
Additions	10,882	65	1,824	-	12,771
Disposals	(205)	(68)	-	-	(273)
Balance, end of year	73,489	2,802	5,875	28,796	110,962
Accumulated depreciation					
Balance, beginning of year	23,953	2,739	1,232	14,334	42,258
Disposals	(205)	(43)	-	-	(248)
Depreciation charge for the year	7,809	26	889	5,465	14,189
Balance, end of year	31,557	2,722	2,121	19,799	56,199
Net book value, end of year	\$ 41,932	\$ 80	\$ 3,754	\$ 8,997	\$ 54,763

13. Intangible Assets

(\$ THOUSANDS)	2024	2023
Cost		
Balance, beginning of year	\$ 571,362	\$ 562,455
Additions	30,642	15,475
Disposals	(60,802)	(6,568)
Balance, end of year	541,202	571,362
Accumulated amortization		
Balance, beginning of year	367,165	310,288
Disposals	(60,802)	(6,568)
Amortization charge for the year	58,969	63,445
Balance, end of year	365,332	367,165
Net book value, end of year	\$ 175,870	\$ 204,197

The Corporation's intangible assets consist of externally purchased software and any directly attributable costs required to bring the software to a condition where it is available for use.

The balance of intangible assets includes \$23.2 million (2023 – \$10.1 million) in assets under development.

Management conducted an impairment assessment and concluded no significant impairment indicators.

There were no indefinite life intangible assets as at March 31, 2024 and March 31, 2023.

14. Insurance contract liabilities

Liability for incurred claims – Estimate of future cash flows to fulfill insurance contracts

Actuarial methods and assumptions for incurred claims

The Corporation typically employs three standard actuarial methods to analyze the ultimate claims costs, augmented by more in-depth analyses as needed:

- The incurred development method;
- The paid development method; and
- The Bornhuetter-Ferguson method.

The standard methods call for a review of historical loss and count development patterns. As part of this review, the Corporation calculates loss and count development factors, which represent the period-to-period changes in a given loss year's incurred loss amount. Based on an examination of the loss development factors, the Corporation's Chief Actuary selects a best estimate of development factors that forecast future loss development.

A key assumption that the loss and count development factors rely on is a selected baseline. The baseline for the majority of the coverages is the average of the most recent four loss years. The use of a baseline helps maintain consistency in the loss and count development factors from one reserve review to another. Circumstances may arise when the standard methods are no longer appropriate to use. In these cases, and in accordance with accepted actuarial practice, modifications to the methods are made or alternative methods are employed that are specific and appropriate to the circumstances. Circumstances may include a change in the insurance product or claims settlement environment, a change in the handling or reserving of claims, or an emerging trend in the statistical data used in the analysis.

Because of the change in insurance coverages provided following the introduction of Enhanced Care on May 1, 2021, there is limited direct historical information available for some of the coverages currently provided. Where possible, appropriate historical claims data has been selected to supplement the data for each coverage, for example by separating claims that occurred within and outside of British Columbia, and accounting for hit-and-run and non-vehicle damage liability claims.

An additional method is employed to address the particularly complex legal-based injury claims environment, which includes shifts in the legal representation rate, the frequency mix of claims by severity of injury, and the settlement rate of claims. This additional method uses legal status and claim severity to separate bodily injury claims data into segments of similar complexity and is based on the Adler-Kline claim closure model. It has allowed the Corporation's Chief Actuary to capture changes in the claim settlement rates within each segment, and changes in the mix of claims by segment, which impacts the bodily injury severity trend rate. Within this segmented analysis, the number of large bodily injury claims is estimated with reference to the number of large bodily injury claims that will emerge as a proportion of the pending legal-based claims at each age.

The cost of injury claims associated with accidents occurring on or after April 1, 2019 but before May 1, 2021 are estimated from the methods described above. Severity estimates for accident benefits claims also make use of assumptions consistent with the pricing model used to establish the premium rate for policies in effect at the time, which includes assumptions about income distribution and proportion of injured claimants that have access to collateral benefits.

Additional methods are used to estimate the severity of enhanced accident benefits claims, associated with accidents occurring on or after May 1, 2021. These claims fall under a new insurance model (note 3h3hi), and are therefore expected to follow different patterns from the historical loss and count development patterns on which the three standard methods rely. The Corporation continues to gain experience on enhanced accident benefits claims and to assess to what extent British Columbia claims data may be appropriately used in the estimation of ultimate claims costs.

The first additional method uses assumptions for the severity of these claims that are consistent with the pricing model used to establish the premium rate for policies effective May 1, 2021, and with additional relevant information regarding inflation expectations and claim severity from other jurisdictions with similar products.

A second additional method has been introduced to estimate the cost of Permanent Impairment benefits within the enhanced accident benefits claims. The amount of these benefits are defined in regulations and relate to the extent of the injuries. This method considers the range of benefits that could apply based on injury classifications associated with enhanced accident benefits claims to establish an additional estimate for the cost of Permanent Impairment benefits.

An additional method has been applied to estimate the cost of basic vehicle damage claims and optional collision and comprehensive claims. The Corporation has observed a high rate of growth in the average cost of repair and total loss claims in the most recent fiscal years, concurrent with some delay in the ability of repair facilities to complete repairs, which affects the timing and development of losses. The additional method is based on the development of paid severities.

The timing of when the unpaid ultimate claims costs will be paid depends on the line of business. Injury claims generally take longer to settle than material damage claims and exhibit greater variability as to the timing and amount ultimately paid to settle a claim. Historical patterns of claims payment data are used to estimate the future claims payment pattern.

Discount rate and risk adjustment for non-financial risk used to determine LIC are disclosed in note 3d.

Changes in Assumptions

Discount rate

The Corporation discounts its LIC using a discount yield curve which comprises a risk free yield curve plus an illiquidity premium. As a result of the change in the discount yield curve, there was a favourable adjustment to both current and prior years' LIC of \$35.1 million (2023 – favourable adjustment of \$391.3 million). Yield curves used to discount cash flow for insurance and reinsurance contracts are as follow:

	One Year	Five Years	Ten Years	Twenty Years	Thirty Years
March 31, 2024	5.47%	4.89%	5.09%	5.21%	5.06%
March 31, 2023	5.47%	4.73%	4.87%	5.24%	4.94%

* Annual Effective Spot Rate as at Fiscal Year End of Term (Years)

Change in loss development assumptions

Actuarial assumptions pertaining to loss and count development for all coverages were reviewed and revised in light of an additional year of actual experience. There were material changes in development assumptions.

The Corporation has observed further increases in the time from when a vehicle damage claim is reported to when the vehicle is repaired. The disruption in supply chains related to the economic impacts of the COVID-19 global pandemic, and the shortage of skilled labour in the car repair industry, continue to impact claims more than 2 years beyond the date of loss. In response, claims development assumptions for vehicle damage claims have been adjusted to reflect that these claims are expected to be paid out over a longer time period than was previously assumed. This represents a change from fiscal year 2023, where the corresponding development assumptions returned to baseline patterns beyond 2 years. The change in assumptions to reflect the increased time to pay vehicle damage claims has increased the liabilities for incurred claims by \$133.0 million, holding all other assumptions constant.

The severity of large bodily injury claims paid in fiscal year 2024 was unusually low relative to prior fiscal years. Assumptions regarding the future severity of bodily injury claims have relied on a trended average of the most recent ten years, in order to put less weight on the unusual experience from the current year. This represents a change from fiscal year 2023, where the trended average was taken over a baseline period (the most recent six years). This change in assumptions for large bodily injury claims has the effect of increasing the liability for incurred claims by \$64.5 million, holding all other assumptions constant.

Sensitivity Analysis

The sensitivity to significant assumptions is outlined below. The analysis is performed for possible changes in the assumptions with all other assumptions held constant, showing the impact on the LIC and net income in the table below. Movements in these assumptions may be non-linear and may be correlated with one another.

(\$ THOUSANDS)		2024	2023
Assumption	Sensitivity		
Discount rate	+ 1ppt ¹	\$ (298,600)	\$ (310,600)
Discount rate	- 1ppt	\$ 333,700	\$ 341,400
Future emergence of large bodily injury claims	+ 10%	\$ 252,700	\$ 401,300
Severity of unpaid bodily injury claims	+ 10%	\$ 707,900	\$ 936,900
Severity of unpaid Enhanced Accident Benefit claims	+ 10%	\$ 212,000	\$ 223,300
Severity of unpaid Material Damages claims	+ 10%	\$ 115,100	\$ 85,000

¹ ppt = percentage point

In fiscal year 2023, the sensitivity to a 1ppt change in future inflation rates (\$184.3 million) was included due to a significantly heightened uncertainty in the inflation forecast as at March 31, 2023. In fiscal year 2024, the inflation has stabilized and there is much less uncertainty in its forecast as at March 31, 2024. Therefore, inflation is no longer considered relevant to represent a significant sensitivity scenario.

Reconciliation of the liability for remaining coverage and liability for incurred claims

(\$ THOUSANDS)	2024				2023			
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding Loss Component	Estimates of present value of future cash flows	Risk Adjustment	Total	Excluding Loss Component	Estimates of present value of future cash flows	Risk Adjustment	Total
Insurance contract liabilities, beginning of year	\$ 1,137,044	\$ 11,388,746	\$ 1,184,491	\$ 13,710,281	\$ 1,486,930	\$ 12,077,043	\$ 1,239,600	\$ 14,803,573
Insurance revenue	(5,471,703)	-	-	(5,471,703)	(5,421,304)	-	-	(5,421,304)
Insurance service expenses								
Incurred claims	-	3,814,565	286,947	4,101,512	-	3,458,424	167,868	3,626,292
Directly attributable expenses	-	616,635	-	616,635	-	598,952	-	598,952
Insurance acquisition expenses	-	766,304	-	766,304	-	689,597	-	689,597
Changes that relate to past service - adjustments to the LIC	-	(208,640)	(499,480)	(708,120)	-	500,747	(222,977)	277,770
	-	4,988,864	(212,533)	4,776,331	-	5,247,720	(55,109)	5,192,611
Insurance service result	(5,471,703)	4,988,864	(212,533)	(695,372)	(5,421,304)	5,247,720	(55,109)	(228,693)
Insurance finance expenses	-	431,470	-	431,470	-	106,686	-	106,686
Total changes in statement of comprehensive income	(5,471,703)	5,420,334	(212,533)	(263,902)	(5,421,304)	5,354,406	(55,109)	(122,007)
Cash flows								
Premiums received	5,983,002	-	-	5,983,002	5,071,418	-	-	5,071,418
Claims and other expenses paid	-	(6,051,249)	-	(6,051,249)	-	(5,378,581)	-	(5,378,581)
Insurance acquisition cash flows	-	(770,693)	-	(770,693)	-	(664,122)	-	(664,122)
Total cash flows	5,983,002	(6,821,942)	-	(838,940)	5,071,418	(6,042,703)	-	(971,285)
Insurance contract liabilities, end of year	\$ 1,648,343	\$ 9,987,138	\$ 971,958	\$ 12,607,439	\$ 1,137,044	\$ 11,388,746	\$ 1,184,491	\$ 13,710,281

During fiscal year 2024, the Corporation approved the issuing of a Rebate totalling \$398.2 million to policyholders who had an active eligible Basic insurance certificate that was in effect during the month of February 2024. As at March 31, 2024, the Rebate amount of \$398.2 million is reflected as a reduction in insurance revenue in the consolidated statement of comprehensive income, and the payable is included in insurance contract liabilities in the consolidated statement of financial position.

The Corporation has assessed and identified no onerous insurance contracts for the fiscal year ended March 31, 2024 and 2023.

Claims development table

The top half of the table illustrates how the Corporation's estimate of total undiscounted claims costs for each loss year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

As a result of the change in year-end in fiscal 2017, there are two claims development tables: one as at March 31, 2024 and one as at December 31, 2015. The Corporation changed from a December 31 to a March 31 year end in fiscal 2017, and therefore there are eight years of historical data in the first table as at March 31, 2024.

Claims development table as at March 31, 2024:

(\$ THOUSANDS)											
Fiscal Loss Year*	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of ultimate claims costs (gross of reinsurance, undiscounted):											
- At end of fiscal loss year	\$ -	\$ -	\$ 4,372,966	\$ 4,968,820	\$ 5,208,101	\$ 4,524,433	\$ 3,376,605	\$ 3,382,219	\$ 3,865,616	\$ 4,233,213	
- One year later	-	4,037,775	4,529,126	5,229,618	5,312,311	4,155,162	3,169,382	3,298,887	3,735,449	-	
- Two years later	3,695,574	4,184,489	4,762,695	5,490,881	5,326,839	4,118,627	2,895,013	3,255,603	-	-	
- Three years later	3,757,390	4,450,883	5,015,000	5,483,201	5,410,875	3,864,190	2,934,926	-	-	-	
- Four years later	3,960,331	4,595,394	4,948,037	5,516,400	5,771,575	3,955,376	-	-	-	-	
- Five years later	4,072,014	4,581,417	4,964,606	5,905,928	5,808,253	-	-	-	-	-	
- Six years later	4,047,419	4,627,181	5,213,142	5,908,891	-	-	-	-	-	-	
- Seven years later	4,045,981	4,734,545	5,237,148	-	-	-	-	-	-	-	
- Eight years later	4,094,782	4,750,260	-	-	-	-	-	-	-	-	
- Nine years later	4,089,231	-	-	-	-	-	-	-	-	-	
Current estimate of cumulative claims (gross)	4,089,231	4,750,260	5,237,148	5,908,891	5,808,253	3,955,376	2,934,926	3,255,603	3,735,449	4,233,213	43,908,350
Cumulative payment of claims (gross)	(3,867,394)	(4,397,000)	(4,612,080)	(4,685,417)	(4,065,459)	(2,651,606)	(1,968,983)	(2,291,748)	(2,512,615)	(1,906,550)	(32,958,852)
Cumulative claims liabilities (gross) - fiska	\$ 221,837	\$ 353,260	\$ 625,068	\$ 1,223,474	\$ 1,742,794	\$ 1,303,770	\$ 965,943	\$ 963,855	\$ 1,222,834	\$ 2,326,663	\$ 10,949,498
Cumulative claims liabilities (gross) - prior years											\$ 305,195
Undiscounted unallocated loss adjustment expense reserve											705,536
Effect of discounting											(2,108,088)
Effect of the risk adjustment margin for non-financial risk											971,957
Other directly attributable expenses expected to be paid within one year											134,997
Total Liability for incurred claims (gross)											\$ 10,959,096

*Fiscal Loss Year refers to the year ended March 31

The table above reflects the total LIC of \$10.96 billion (2023 – \$12.57 billion) before amounts recoverable on incurred claims for the reinsurance contract assets held. The total LIC after amounts of reinsurance recoverable on incurred claims of \$0.04 billion (2023 – \$0.03 billion) would be \$10.92 billion (2023 – \$12.54 billion). The cumulative payments of fiscal loss year 2024 for the year ended March 31, 2024 are \$1.91 billion (2023 – \$1.71 billion).

The history for two prior periods ending December 31 is shown in the below claims development table as at December 31, 2015 due to the Corporation's change in year end in fiscal 2017:

(\$ THOUSANDS)		
Accident Year	2014	2015
Estimate of undiscounted ultimate claims costs:		
- At end of accident year	\$ 3,372,304	\$ 3,765,040
- One year later	3,518,858	-
- Two years later	-	-

The expected maturity of the claims liabilities is analyzed below (undiscounted and gross of reinsurance):

(\$ THOUSANDS)							
	Less than One Year	One to Two Years	Two to Three Years	Three to Four Years	Four to Five Years	Over Five Years	Total
March 31, 2024	\$ 3,952,415	\$ 2,284,355	\$ 1,379,382	\$ 881,910	\$ 565,073	\$ 2,897,094	\$ 11,960,229
March 31, 2023	\$ 4,298,305	\$ 2,632,441	\$ 1,821,372	\$ 1,157,010	\$ 701,802	\$ 2,626,197	\$ 13,237,127

The claims liabilities for future payment beyond one year is \$8.01 billion (2023 – \$8.94 billion). There is no amounts payable on demand in 2024 and 2023.

The weighted-average term to settlement of the discounted claims liabilities as at March 31, 2024 is 3.1 years (2023 – 2.8 years).

15. Reinsurance contract assets

The Corporation maintains casualty and catastrophe reinsurance to protect against significant losses.

The Corporation entered into one year casualty and catastrophe reinsurance contracts beginning January 1, 2024 and 2023 as follows:

- a) For individual catastrophic occurrences, portions of losses up to \$275.0 million (2023 – \$275.0 million) in excess of \$50.0 million (2023 – \$50.0 million); and
- b) For individual casualty loss occurrences, portions of losses up to \$43.0 million (2023 – \$44.0 million) in excess of \$7.0 million (2023 – \$6.0 million).

These reinsurance arrangements do not discharge the Corporation's obligation as primary insurer. The Corporation evaluates the financial condition of its reinsurers to minimize the exposure to significant loss from reinsurer insolvency.

Reconciliation of the remaining coverage and incurred claims components

(\$ THOUSANDS)	2024				2023				
	Assets for Remaining Coverage		Amounts Recoverable on Incurred Claims		Assets for Remaining Coverage		Amounts Recoverable on Incurred Claims		Total
	Excluding Loss Recovery Component	Estimates of present value of future cash flows	Risk Adjustment	Total	Excluding Loss Recovery Component	Estimates of present value of future cash flows	Risk Adjustment	Total	
Net reinsurance contract assets, beginning of year	\$ 4,272	\$ 29,468	\$ 2,929	\$ 36,669	\$ 4,296	\$ 39,381	\$ 3,839	\$ 47,516	
Allocation of reinsurance premiums	(16,856)	-	-	(16,856)	(14,046)	-	-	(14,046)	
Amounts recoverable for incurred claims and other expenses	-	7,363	30	7,393	-	2,212	(910)	1,302	
Net income (expense) from reinsurance contracts held	(16,856)	7,363	30	(9,463)	(14,046)	2,212	(910)	(12,744)	
Reinsurance finance income	-	1,094	-	1,094	-	416	-	416	
Total changes in comprehensive income	(16,856)	8,457	30	(8,369)	(14,046)	2,628	(910)	(12,328)	
Cash flows									
Premiums paid	12,617	-	-	12,617	14,022	-	-	14,022	
Amounts received	-	(5,509)	-	(5,509)	-	(12,541)	-	(12,541)	
Total cash flows	12,617	(5,509)	-	7,108	14,022	(12,541)	-	1,481	
Net reinsurance contract assets, end of year	\$ 33	\$ 32,416	\$ 2,959	\$ 35,408	\$ 4,272	\$ 29,468	\$ 2,929	\$ 36,669	

16. Pension and Post-Retirement Benefits

Plan information

The Corporation sponsors a defined benefit registered pension plan for its current and former management and confidential employees (the Management and Confidential Plan). Subject to the terms of the plan, the Management and Confidential Plan provides benefits to members based on their length of service and eligible earnings in the best five years of plan membership. Employees are required to contribute to the Management and Confidential Plan. Effective January 1, 2019, all Management and Confidential employees contribute 50% of the current cost benefits.

In addition, the Corporation sponsors two supplemental pension plans for certain employees. The Corporation is the legal administrator of the Management and Confidential Plan and the two supplemental pension plans. Subject to the terms of the plans, pensions are indexed in line with increases in the Consumer Price Index (CPI) up to fixed or sustainable maximums for certain periods of service.

The Corporation also contributes to two other defined benefit pension plans for which it is not the sole sponsor. Current and former employees of the Corporation who are or were members of the Movement of United Professionals are members of the MoveUP/Insurance Corporation of British Columbia Pension Plan (MoveUP Plan). Half of the Trustees of the MoveUP Plan are appointed by the Corporation and the other half by MoveUP. The Board of Trustees of the MoveUP Plan is the legal plan administrator. The MoveUP Plan provides benefits to members based on their length of service and eligible earnings in the best five years of plan membership. MoveUP employees are required to contribute 50% of the cost of benefits to the MoveUP Plan. Subject to the terms of the plan, pensions are indexed in line with increases in the CPI. The Corporation's former Motor Vehicle Branch employees participate in the BC Public Service Pension Plan. The Corporation has no fiduciary responsibility for, or role in the governance of, the MoveUP Plan or the BC Public Service Pension Plan.

The Management and Confidential Plan, MoveUP Plan, and the BC Public Service Pension Plan are subject to the statutory requirements (including minimum funding requirements) of the British Columbia *Pension Benefits Standards Act* (PBSA) and the *Income Tax Act* (Canada). Each plan's pace of funding is set out in their respective funding policies.

The Corporation pays life insurance premiums, extended healthcare, and dental costs as post-retirement benefits for its qualifying retirees. The benefits are not prefunded. Benefit entitlements differ for management and confidential and bargaining unit employees, as stated within the terms of the plans.

The Corporation measures its defined benefit obligations and the fair value of plan assets for accounting purposes at the end of the Corporation's fiscal year. Defined benefit obligations are extrapolated from the most recent actuarial valuation date for each of the plans. The Management and Confidential Plan and the MoveUP Plan actuarial valuations are as at December 31, 2021 and the post-retirement benefits actuarial valuation is as at January 1, 2022. Updated actuarial valuations for the Management and Confidential Plan and the MoveUP Plan are expected to be no later than December 31, 2024. These results will be reflected in the consolidated financial statements in the year immediately following their preparation.

On its consolidated statement of financial position, the Corporation does not recognize its portion of any surplus assets held by the MoveUP Plan because it cannot realize a future economic benefit in respect of those assets.

An additional liability may be recognized in some instances if minimum future funding requirements are expected to generate a future surplus. These instances are ones where the Corporation would not be able to access or realize a future economic benefit from the future surplus. The Corporation has determined that no additional liability is required to be recognized in respect of solvency funding payments made to the Management and Confidential Plan. This is because the British Columbia PBSA permits the Corporation to secure these payments with a letter of credit in lieu of cash solvency payments or to deposit them in the plan's Solvency Reserve Account (SRA), for which any surpluses in this account would ultimately be refundable to the Corporation. Furthermore, the Corporation may realize an economic benefit related to future current service cost, in respect of the Corporation, exceeding minimum funding requirements.

The weighted-average durations of the pension plans and post-retirement benefits are shown below, along with the approximate proportions of the defined benefit obligation by membership category:

	Pension Plans		Post-Retirement Benefits	
	2024	2023	2024	2023
Weighted-average duration	18 years	18 years	13 years	13 years
Proportion of obligation in respect of:				
- Active members	44.6%	44.2%	40.8%	40.8%
- Deferred members	6.8%	6.9%	0.0%	0.0%
- Retired members	48.6%	48.9%	59.2%	59.2%

Since pensions are adjusted to changes in the CPI, the pension plans are exposed to changes in levels and volatility in Canada's inflation rate.

In addition, the plans' obligations are exposed to interest rate risk and changes in the life expectancy for pensioners. As the plan assets include significant investments in quoted equity shares, the Corporation is also exposed to equity market risk.

Contributions to all pension and post-retirement benefit plans

Total contributions for employee future benefits for 2024, consisting of cash contributed by the Corporation to all of the funded pension plans and in respect of benefits paid from its unfunded pension and post-retirement benefits, were \$39.2 million, net of a withdrawal from the SRA (2023 – \$44.1 million). Estimated employer contributions for the year ending March 31, 2025 are \$54.6 million, excluding any withdrawal from the SRA. The estimate is based on the plans' most recent actuarial funding valuations.

As at March 31, 2024, the Corporation secured certain solvency funding requirements through payments made into the SRA totalling \$0.0 million (2023 – \$ 0.2 million). The SRA is a separate account, established to hold solvency and transfer deficiency payments made under a defined benefit component of a pension plan. The only funds that may be deposited to the SRA are payments made in respect of a solvency deficiency. Because the Management and Confidential Plan was certified to have a solvency ratio greater than 100% as of December 31, 2022, solvency and transfer deficiency payments are no longer required. Furthermore, the Corporation received Superintendent consent to withdraw a portion of the Plan's accessible solvency excess from the SRA. Consequently, on October 20, 2023, the Corporation received \$10.5 million as a withdrawal.

Financial information

These consolidated financial statements include the assets and liabilities of all plans, excluding the BC Public Service Pension Plan, sponsored by the Corporation. The amounts recorded on the consolidated statement of financial position are as follows:

(\$ THOUSANDS)	Pension Plans		Post-Retirement Benefits		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Accrued pension benefits	\$ 262,336	\$ 202,685	\$ -	\$ -	\$ 262,336	\$ 202,685
Liabilities						
Pension and post-retirement benefits	(26,415)	(24,977)	(145,263)	(138,184)	(171,678)	(163,161)
Net total asset (liability)	\$ 235,921	\$ 177,708	\$ (145,263)	\$ (138,184)	\$ 90,658	\$ 39,524

One of the pension plans is in a net asset position and, as a result, that plan is required to be reported as an asset on the consolidated statement of financial position. The net total asset for all of the Corporation's pension plans and post-retirement benefits as at March 31, 2024 is \$90.6 million (2023 – \$39.5 million) asset, which is reflected in the consolidated statement of financial position as a \$262.3 million (2023 - \$202.7 million) asset and a \$171.7 million (2023 - \$163.2 million) liability as illustrated in the table above.

Information regarding the pension plans and post-retirement benefits is as follows:

(\$ THOUSANDS)	Pension Plans		Post-Retirement Benefits	
	2024	2023	2024	2023
Plan assets				
Fair value, beginning of year	\$ 2,810,453	\$ 2,847,487	\$ -	\$ -
Interest on plan assets	140,914	116,606	-	-
Actuarial gain (loss) on assets	174,362	(124,188)	-	-
Employer contributions	32,599	38,175	6,600	5,922
Employee contributions	41,785	36,687	-	-
Benefits paid	(109,146)	(103,414)	(6,600)	(5,922)
Non-investment expenses	(600)	(900)	-	-
Fair value, end of year	3,090,367	2,810,453	-	-
Defined benefit obligation				
Balance, beginning of year	2,541,836	2,640,232	138,184	148,223
Current service cost	82,067	94,679	5,443	7,428
Interest cost	129,413	110,486	7,002	6,214
Remeasurements on obligation				
- due to changes in financial assumptions	88,421	(228,890)	1,234	(20,058)
- due to changes in demographic assumptions	-	-	-	(1,343)
- due to participant experience	81	28,743	-	3,642
Benefits paid	(109,146)	(103,414)	(6,600)	(5,922)
Balance, end of year	2,732,672	2,541,836	145,263	138,184
Funded status – plans in deficit	(26,415)	(24,977)	(145,263)	(138,184)
Funded status – plans in surplus	384,110	293,594	-	-
Funding surplus (deficit)	357,695	268,617	(145,263)	(138,184)
Impact of surplus derecognition	(121,774)	(90,909)	-	-
Net total asset (liability)	\$ 235,921	\$ 177,708	\$ (145,263)	\$ (138,184)

The net total expense for the pension plans and post-retirement benefits is \$46.4 million (2023 – \$66.4 million). In addition, the Corporation contributed \$0.3 million in 2024 (2023 – \$0.3 million) to the BC Public Service Pension Plan.

Assets

The pension plans' assets consist of:

	Percentage of Plan Assets	
	2024	2023
Cash, cash equivalent and accrued interest	0.5%	1.5%
Fixed-income investments		
Money market funds	0.8%	1.0%
Bond funds	8.1%	7.5%
Government bonds	11.6%	10.7%
Corporate bonds	5.3%	6.5%
Mortgage funds	0.9%	0.2%
Mortgages	0.8%	0.3%
Equity investments		
Domestic	3.6%	5.3%
Global	39.0%	36.0%
Other financial investments		
Domestic real estate	7.2%	8.6%
Global real estate	6.3%	7.7%
Global infrastructure	5.2%	4.7%
Global mezzanine debt	0.7%	1.0%
Private assets	10.0%	9.0%
	<u>100.0%</u>	<u>100.0%</u>

Fixed-income funds, except for mortgage funds, and equity investments are valued using published quotations sourced from an independent data provider. Mortgage funds and other financial investments valuations are based on various methods such as the discounted cash flows, appraisals and audited financial statements.

Pension plan assets generated a return of 11.3% (2023 – negative 0.3%) for the year ended March 31, 2024.

For the Management and Confidential Plan, the administrator compares the investment performance of the fund against the median investment performance of a peer group of comparable pension funds at least quarterly. In addition, there are monthly and quarterly asset allocation reviews performed to ensure compliance with investment policies. For the MoveUP Plan, the long-term objective is to obtain an investment return that will exceed the investment return assumption used in the actuarial valuation and to provide positive real growth. The Trustees have outsourced the Chief Investment Officer (CIO) who reviews the fund managers' performance on a quarterly basis. The outsourced CIO invests funds based on the Trustees' approved Statement of Investment Policy.

As at March 31, 2024 and March 31, 2023, the Corporation's pension plans did not hold any of the Corporation's securities or assets nor were any of the plans' assets used by the Corporation during these years.

Assumptions

The significant actuarial assumptions adopted in measuring the Corporation's defined benefit obligation are as follows (weighted-average assumptions):

	Pension Plans		Post-Retirement Benefits	
	2024	2023	2024	2023
Discount rate	4.97%	5.04%	4.93%	4.99%
Rate of compensation increase	3.02%	3.02%	n/a	n/a
Pension inflation rate	2.00%	2.00%	n/a	n/a

Mortality assumptions are significant in measuring the obligations under the defined benefit plans. Future longevity improvements have been considered and included where appropriate. The following table summarizes the life expectancy for members, in years, based on the mortality assumption used:

2024		2023	
Life expectancy at 65 for a member currently		Life expectancy at 65 for a member currently	
Age 65	Age 45	Age 65	Age 45
24.1	25.4	24.0	25.3

As at March 31, 2024, the extended healthcare trend rate is assumed to be 4.9% per annum, changing over sixteen years to 4.1% per annum thereafter. As at March 31, 2023, the extended healthcare trend rate is assumed to be 4.7% per annum for the first year, changing over seventeen years to 4.1% per annum thereafter.

The plans' sensitivity to significant assumptions is shown below:

(\$ THOUSANDS)	Pension Plans		Post-Retirement Benefits	
	2024	2023	2024	2023
Estimated increase in defined benefit obligation - end of year due to:				
1ppt ¹ decrease in discount rate	\$ 493,913	\$ 452,415	\$ 18,814	\$ 17,824
1ppt increase in salary increase rate	\$ 78,783	\$ 70,087	n/a	n/a
1ppt increase in pension inflation rate	\$ 375,023	\$ 345,824	n/a	n/a
1ppt increase in healthcare trend rate	n/a	n/a	\$ 7,681	\$ 7,308
1 year increase in life expectancy	\$ 74,176	\$ 69,090	\$ 2,631	\$ 2,506

¹ ppt = percentage point

The sensitivity to the significant assumptions has been determined assuming all other assumptions remain unchanged. If multiple assumptions were to change at the same time, there may be correlations between assumptions that could result in different impacts than simply adding the individual sensitivities above.

17. Expenses by Nature

(\$ THOUSANDS)	2024	2023
Expenses – by nature		
Premium taxes and commissions	\$ 763,696	\$ 687,517
Employee benefit expense:		
Compensation and other employee benefits	560,200	519,360
Pension and post-retirement benefits (note 16)	46,684	66,719
Professional and other services	47,928	40,447
Road improvements and other traffic safety programs	34,411	31,125
Building operating expenses	26,318	26,905
Merchant and bank fees	48,995	42,879
Office supplies and postage	22,280	22,717
Computer costs	37,963	36,066
Depreciation and amortization (notes 11 and 13)	74,602	78,841
Depreciation for lease assets (note 12)	15,080	14,189
Interest expense on lease liabilities	2,284	2,053
Other	27,463	34,736
	\$ 1,707,904	\$ 1,603,554
Expenses by operation		
Insurance operations		
Premium taxes, commissions and other acquisition costs ¹	\$ 766,304	\$ 689,597
Claims services ¹	439,515	431,813
Directly attributable operating expenses ¹	126,110	117,669
Road safety and loss management services ¹	51,010	49,470
Other operating expenses	140,498	143,585
Non-insurance operations		
Operating expenses	144,328	134,551
Commissions	40,139	36,869
	\$ 1,707,904	\$ 1,603,554
¹ Expenses attributed to insurance acquisition cash flows and other directly attributable expenses comprise expenses incurred in the reporting period that relate directly to the fulfilment of insurance contracts issued within IFRS 17's scope. Refer to note 14 Insurance contract liabilities - Reconciliation of the liability for remaining coverage and liability for incurred claims		

18. Related Party Transactions

ICBC is a wholly-owned Crown corporation of the Province of B.C.

All transactions with the Province of B.C.'s ministries, agencies, and Crown corporations occurred in the normal course of providing insurance, registration, and licensing for motor vehicles, which is representative of fair value unless otherwise disclosed in these notes. The Corporation has elected to apply the exemption for government-related entities under IAS 24 *Related Party Disclosures*.

All transactions with the Corporation's subsidiary companies occurred in the normal course of investing in investment properties (note 2k), pooled funds and investment entities (note 6a).

The Corporation acts as an agent for the Ministry of Finance regarding the collection of provincial taxes on imported and privately sold used vehicles and motor vehicle-related debts. The Corporation is the sole provider of Basic insurance (note 1) in the Province of B.C. and, therefore, insures, at market rates, vehicles owned or leased by the Province of B.C. and its controlled entities. As a consequence of these relationships, the Corporation has, at any time, amounts owing to or from various government departments or ministries in the ordinary course of business.

The Corporation is also responsible for collecting and remitting in full to the Province of B.C. all driver license fees as well as vehicle-related fees for acquiring and distributing licence plates including permits and other fees and fines. These collections are not revenue to the Corporation. The costs associated with the licensing and compliance activities conducted on behalf of the Province of B.C. are borne by the Corporation. These collections on behalf of and payments to the Province of B.C. are disclosed in the consolidated statement of comprehensive income under non-insurance operations.

The Corporation has defined key management as members of the Board of Directors and management employees at the Senior Director and equivalent level and above. The compensation for key management is shown below:

(\$ THOUSANDS)	2024	2023
Key management compensation		
Compensation and other employee benefits	\$ 5,050	\$ 4,925
Pension and post-retirement benefits	511	537
	<u>\$ 5,561</u>	<u>\$ 5,462</u>

As at March 31, 2024, \$0.7 million (2023 – \$0.5 million) was payable to key management.

The Corporation contributes to several defined benefit pension and post-retirement plans. Transactions with these entities are disclosed in note 16. As at March 31, 2024, \$1.5 million (2023 – \$1.4 million) was payable to these plans for employer contributions. In addition, the Corporation provides certain administrative and office services to the plans at no charge. During the year ended March 31, 2024, the Corporation incurred \$2.4 million (2023 – \$2.5 million) in administrative expenses and investment governance fees on behalf of these plans interest-free.

19. Capital Management

The Corporation's capital is comprised of retained earnings and other components of equity. The Corporation's objectives for managing capital are to maintain financial strength, including the management of ongoing business risks and protection of its ability to meet the obligations to policyholders and others.

The Corporation operates two lines of insurance business, Basic and Optional. As prescribed in *Special Direction IC2 to the British Columbia Utilities Commission (Special Direction IC2)* for Basic insurance, and in line with federally regulated insurers competing for Optional insurance, the Corporation has established capital targets based upon the capital management framework of the Office of the Superintendent of Financial Institutions Canada (OSFI) and OSFI's Guideline for the minimum capital test (MCT). The MCT is a ratio of capital available to capital required, and utilizes a risk-based formula to assess the capital adequacy, including financial risk and long-term financial stability, of an insurance company.

For the Basic insurance business, *Special Direction IC2* requires the Corporation to determine capital targets in accordance with a capital management plan approved by the BCUC (note 21).

On December 12, 2022, *Special Direction IC2* was amended. These amendments introduced a capital provision requirement equal to 7.0% of required premium, suspended the requirement to maintain a Basic MCT ratio of at least 100%, suspended the customer renewal credit, repealed the rate smoothing framework except for the requirement for the BCUC to fix rates in a manner that does not decrease existing rates, and defined policy year 2023 as the 24-month period from April 1, 2023 to March 31, 2025. On October 11, 2023, BCUC approved the Corporation's revenue requirement application for a 0.0% rate change for policy year 2023 (note 23).

For the Optional insurance business, the Corporation follows a capital management plan, which is approved by the Corporation's Board of Directors and reviewed at least every three years. The Optional insurance capital target level is calculated based on the MCT guideline and is assessed by considering various factors that reflects the Corporation's risk profile, risk appetite, and risk tolerance.

The Corporation continues to benefit from product reforms (notes 3g and 3h) that contribute to the financial stability of the insurance system, and is building Basic capital over time as a result of the capital provision included in Basic rates.

For fiscal year 2024, the Corporation had higher than expected investment income, which has enabled the Corporation to approve a \$398.2 million premium rebate (note 14) to policyholders while continuing to grow capital.

20. Contingencies and Commitments

a) Structured settlements

Certain injury claims are settled through the use of various structured settlements which require the Corporation to provide the claimant with periodic payments.

The Corporation purchases an annuity from an approved life insurance company to make these payments. In the event the life insurance company fails in its obligation, the risk to the Corporation is mitigated as the claimant will continue to receive payments, up to certain limits, from a not-for-profit organization that is funded by the insurance industry and designated by the Federal Government under the *Insurance Companies Act (Canada)*. The Corporation is only responsible for making payments for the excess, if any, between the claimant's annuity payments and the payment from the not-for-profit organization. At present, three federally licensed life insurance companies are used by the Corporation. The present value of these structured settlements as at March 31, 2024 is approximately \$0.91 billion (2023 – \$0.94 billion), which are not recorded in the consolidated financial statements of the Corporation. Management does not believe any provision for credit risk is required in relation to these annuities as at March 31, 2024, as all utilized life insurance companies are rated investment-grade and outstanding balances are backed by the not-for-profit organization. The not-for-profit organization provides guarantees of up to \$2,000 a month or 85% of the promised monthly income benefit, whichever is higher. The Corporation's exposure to credit risk beyond the guarantee is insignificant. To date, the Corporation has not experienced any losses resulting from these arrangements.

b) Other

The Corporation has committed to participating in the future funding of multiple investment programs. Unfunded commitments, excluding mezzanine debt, as at March 31, 2024 were \$1.94 billion (2023 – \$1.84 billion). The timing of the funding and related acquisition of investments is uncertain, as it is dependent on appropriate investing opportunities identified by the investment manager.

In 2017, the Corporation committed to invest in a limited partnership for mezzanine debt over a period of 10 years. As at March 31, 2024, unfunded commitment was \$59.9 million USD (2023 – \$58.0 million USD).

c) Pending Litigation

A notice of civil claim was filed in March 2020 against the Corporation and the Province of B.C. The proposed class action alleges the Corporation has been making payments to the provincial Medical Services Plan contrary to law. It is further alleged that the payments have cost ratepayers hundreds of millions of dollars, driving up insurance costs (ratepayer claim) and have also caused accident victims to receive fewer benefits (accident victim claim). In April 2022 the British Columbia Supreme Court dismissed the plaintiff's application for certification of the ratepayer claim, but certified the class for the accident victim claim. Both parties appealed and the appeal was heard in May 2023. On December 19, 2023, the Court of Appeal set aside the dismissal of the certification of the ratepayer claims and set back to the chambers judge for consideration of the

remaining certification requirements and also dismissed the Corporation's appeal seeking de-certification of the accident victim claim. This means that the class action for the accident victim claims will proceed. At this stage of the proceedings, the probability of success on the accident victim claim cannot be determined; however, any potential financial impact to the Corporation would not be significant.

On July 4, 2022, a claim was filed against the Attorney General of B.C. challenging Enhanced Care. The claimants argue that the Enhanced Care legislation is a violation of equality rights under s. 15 of the *Canadian Charter of Rights and Freedoms* and grants the CRT power that violates the jurisdiction of the B.C. Supreme Court and as a result is unconstitutional. At this stage of the proceeding, the probability of success cannot be determined.

In March 2024, a claim was filed against the Attorney General of BC and ICBC challenging the November 2023 amendments to the *Disbursement and Expert Evidence Regulation* under the *Evidence Act*. The claimants allege that the legislation is an unauthorized exercise of the government's authority and that it infringes on the *Canadian Charter of Rights and Freedoms* and the *Constitution Act*. The application was heard in April 2024 and the judge reserved their decision. At this very early stage of the proceedings, the probability of success cannot be determined and the financial effect can vary depending on the outcome.

21. Regulation over Basic Insurance

As discussed in note 1, the Corporation is subject to regulation by the BCUC. The BCUC has jurisdiction over the Corporation's rates and services for Basic insurance, and responsibility for ensuring that the Basic insurance business does not subsidize the Corporation's Optional insurance business.

The BCUC is required to ensure that the Corporation's Basic insurance rates are not unjust, unreasonable, unduly discriminatory nor unduly preferential, including that, rates are not based on age, gender or marital status.

The BCUC is required to approve rates set on the basis of accepted actuarial practice, in a manner that allows the Corporation to collect sufficient revenue to pay for costs allocated to the Basic insurance line of business, to ensure that the Corporation has sufficient Basic insurance capital, and to ensure that increases or decreases in rates are phased in, in a relatively stable and predictable manner.

The BCUC initiates regulatory processes upon application by the Corporation but may also do so on its own initiative. It may make use of processes such as a written proceedings, oral hearings, or negotiated settlement processes to review applications and subsequently issue legally binding decisions. The Corporation is required to reimburse a portion of the BCUC's general operating expenses as well as costs associated with each proceeding. The BCUC can also order the Corporation to reimburse other proceeding participants for specified costs such as legal and expert witness fees.

As required by the regulatory framework, the Corporation maintains a Basic insurance capital management plan that is reviewed and approved by the BCUC. As discussed in note 19, certain

sections of the Basic insurance capital management plan were superseded by the December 2022 amendments to *Special Direction IC2*, which also defined the 2023 policy year as 24 months (April 1, 2023 to March 31, 2025) (note 23).

On October 11, 2023, BCUC approved the Corporation's proposed Basic insurance rate change of 0.0% for policy year 2023. BCUC had previously approved a 15.0% decrease in Basic insurance rates for policy year 2021.

22. Indirect Method Cash Flow Details

The following table illustrates the details of the consolidated statement of cash flows:

(\$ THOUSANDS)	March 31 2024	March 31 2023
a) Items not requiring the use of cash		
Bad debt expense	\$ 13,107	\$ 9,993
Pension and post-retirement benefits (notes 16 and 17)	46,684	66,719
Amortization and depreciation of:		
Investment properties (note 5)	19,788	21,802
Property, equipment and intangibles (notes 11 and 13)	74,602	78,841
Lease assets (note 12)	15,080	14,189
Retirement of property, equipment and intangibles	(15,951)	167
Impairment loss on investment properties (notes 5 and 10)	5,159	5,477
Interest on lease liabilities	2,351	2,054
Interest on mortgages payable	157	(158)
Unrealized (gain) loss on financial investments (note 10)	(648,353)	85,962
Unrealized (gain) loss on derivative financial instruments (note 10)	(37,009)	68,579
Gain on sale of investment properties (note 10)	(9,675)	(69,567)
Loss on financial investments	60,409	127,233
	<u>\$ (473,651)</u>	<u>\$ 411,291</u>
b) Changes in non-cash working capital		
Accrued interest	\$ 18,220	\$ (6,693)
Derivative financial instruments	(1,550)	746
Reinsurance assets	1,261	10,847
Accrued pension benefits	(3,557)	(13,265)
Prepays and other receivables	(27,988)	(8,562)
Accounts payable and accrued charges	5,614	(14,024)
Net bond repurchase agreements, investment-related, and other liabilities	(41,075)	5,081
Premiums and fees received in advance	3,109	7,092
Insurance contract liabilities	(1,102,842)	(1,093,292)
Pension and post-retirement benefits	(35,926)	(31,137)
	<u>\$ (1,184,734)</u>	<u>\$ (1,143,207)</u>

The table below details the changes in the Corporation's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing are those for which cash flows were, or future cash flows will be, classified in the Corporation's consolidated statement of cash flows as cash flows from financing activities.

(\$ THOUSANDS)	March 31, 2023	Financing cash flows	Non-cash changes	March 31, 2024
Net bond repurchase agreements (note 7)	\$ 1,772,205	\$ (1,772,205)	\$ -	\$ -
Lease liabilities (note 8)	52,313	(15,705)	20,517	57,125
	<u>\$ 1,824,518</u>	<u>\$ (1,787,910)</u>	<u>\$ 20,517</u>	<u>\$ 57,125</u>

(\$ THOUSANDS)	March 31, 2022	Financing cash flows	Non-cash changes	March 31, 2023
Net bond repurchase agreements (note 7)	\$ 1,947,260	\$ (136,037)	\$ (39,018)	\$ 1,772,205
Lease liabilities (note 8)	53,670	(15,480)	14,123	52,313
	<u>\$ 2,000,930</u>	<u>\$ (151,517)</u>	<u>\$ (24,895)</u>	<u>\$ 1,824,518</u>

23. Subsequent Event

In May 2024, the Corporation has entered into a 15-year lease commitment with three 5-year options to renew. The total undiscounted lease payments over the lease term, inclusive of the renewal options, is \$256.1 million.

In May 2024, BCUC has approved a one-year extension of policy year 2023 to end on March 31, 2026, consequently extending the basic rate change of 0% to March 31, 2026.

Supplemental Information (unaudited)

Allocation of Basic and Optional amounts

The Corporation operates as an integrated entity in its provision of Basic insurance, Optional insurance and Non-insurance products and services. In order to allocate its revenues and costs among the Basic insurance, Optional insurance and Non-insurance lines of business, the Corporation follows a BCUC-approved financial allocation methodology. This methodology is summarized below.

The majority of the Corporation's insurance revenues and costs associated with Basic insurance and Optional insurance can be directly attributed and do not require further process of allocation. Non-insurance revenues and costs are fully allocated to Basic insurance based on *Special Direction IC2*. A pro-rata approach is used to allocate revenues and costs that are not directly attributable to the Basic, Optional or Non-insurance businesses. This approach is based on the drivers of those revenues and costs, the degree of causality, and any BCUC directives.

On January 31, 2024, the Corporation submitted an application to the BCUC to update its financial allocation methodology. Proposed changes that BCUC approves, if any, will be reflected in the Corporation's consolidated financial statements starting in fiscal year 2024/25.

(\$ THOUSANDS)	Basic Coverage		Optional Coverage		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
Insurance revenues	\$ 2,959,288	\$ 3,257,440	\$ 2,512,415	\$ 2,163,864	\$ 5,471,703	\$ 5,421,304
Insurance service expenses	(2,472,811)	(2,520,422)	(2,303,520)	(2,672,189)	(4,776,331)	(5,192,611)
Net expenses from reinsurance contracts	(1,916)	(3,539)	(7,547)	(9,205)	(9,463)	(12,744)
Insurance service result	484,561	733,479	201,348	(517,530)	685,909	215,949
Net investment income	985,204	207,120	441,512	104,470	1,426,716	311,590
Net insurance finance expenses	(301,443)	(74,849)	(128,933)	(31,421)	(430,376)	(106,270)
Net insurance and investment result	1,168,322	865,750	513,927	(444,481)	1,682,249	421,269
Other operating expenses	(56,913)	(60,926)	(54,637)	(64,698)	(111,550)	(125,624)
Income - insurance operations	1,111,409	804,824	459,290	(509,179)	1,570,699	295,645
Loss - non-insurance operations - licensing	(172,187)	(161,938)	-	-	(172,187)	(161,938)
Net income (loss) for the year	\$ 939,222	\$ 642,886	\$ 459,290	\$ (509,179)	\$ 1,398,512	\$ 133,707
Net income (loss) attributable to:						
Non-controlling interest	\$ (249)	\$ 1,588	\$ (111)	\$ 801	\$ (360)	\$ 2,389
Owner of the corporation	939,471	641,298	459,401	(509,980)	1,398,872	131,318
	\$ 939,222	\$ 642,886	\$ 459,290	\$ (509,179)	\$ 1,398,512	\$ 133,707
Equity						
Retained earnings, beginning of year (Restated)	\$ 2,748,880	\$ 2,107,582	\$ 799,981	\$ 1,309,961	\$ 3,548,861	\$ 3,417,543
Net income (loss) for the year, owner of the corporation	939,471	641,298	459,401	(509,980)	1,398,872	131,318
Retained earnings, end of year	3,688,351	2,748,880	1,259,382	799,981	4,947,733	3,548,861
Other components of equity, beginning of year (Restated)	347,514	345,595	149,670	148,780	497,184	494,375
Pension and post-retirement benefits remeasurements (note 16)	40,076	1,919	18,259	890	58,335	2,809
Other components of equity, end of year	387,590	347,514	167,929	149,670	555,519	497,184
Total equity attributable to owner of the corporation	4,075,941	3,096,394	1,427,311	949,651	5,503,252	4,046,045
Non-controlling interest, beginning of year (Restated)	3,756	4,245	2,452	2,509	6,208	6,754
Change in net assets for the year, non-controlling interest	(598)	(2,077)	(239)	(858)	(837)	(2,935)
Net income for the year, non-controlling interest	(249)	1,588	(111)	801	(360)	2,389
Total equity attributable to non-controlling interest, end of year	2,909	3,756	2,102	2,452	5,011	6,208
Total Equity	\$ 4,078,850	\$ 3,100,150	\$ 1,429,413	\$ 952,103	\$ 5,508,263	\$ 4,052,253

MAJOR CORPORATE ISSUE NOTE

ICBC and Enhanced Care

Ministry/Ministries:

- Ministry of Public Safety and Solicitor General/Crown Agencies Secretariat.

Issue: ICBC and Enhanced Care

- On May 1, 2021, the Province and ICBC launched Enhanced Care, which provides anyone injured in a crash involving a vehicle – whether they are a driver, passenger, motorcycle rider, cyclist, or pedestrian – with benefits needed to support their recovery.
- The Enhanced Care model replaced the old legal-based system and has largely removed legal costs from the system, while providing improved care and recovery benefits.
- To date, Enhanced Care is meeting the projected outcomes from a care and financial perspective, but there have been some concerns from customers about the implementation of the new model.
- ICBC takes concerns about the Enhanced Care model seriously and is committed to ensuring the best supports are in place for anyone injured in a crash.
- ICBC is also making ongoing improvements to make the claims experience as seamless as possible.

Background:

ICBC

- ICBC is mandated to provide universal compulsory auto insurance (Basic insurance) to drivers in B.C.; Basic insurance rates are regulated by the BC Utilities Commission.
- In B.C., Optional auto insurance products are sold in a competitive market, with ICBC and private insurers co-existing.
- As a public auto insurer, ICBC delivers important public policy objectives in addition to providing affordable insurance rates. For example, ICBC has a road safety mandate, an objective to ensure all motorists are insured, and treats drivers seeking auto insurance fairly (e.g., a private insurer in other provinces can refuse insurance based on risk).
- The cost of auto insurance – whether public or private – is largely determined by claims costs. The pricing of insurance premiums for individual drivers or classes of drivers (e.g., commercial or inexperienced drivers) essentially reflects risks.
- The private market builds a profit margin into its pricing, which ICBC's mandatory product does not. ICBC is therefore able to charge less overall compared to a private market.
- ICBC has kept its operating expenses low (expense ratio of 21.5% in 2023/24 without the rebate, compared to the auto industry average of 29.7%).
- ICBC's operating costs reflect the full scope of its services beyond auto insurance, including driver licensing, road safety improvements and campaigns, and other non-insurance services provided to or on behalf of government. Shifting to a competitive model would require government to move these services from Basic insurance and determine how to fund and deliver them.

Enhanced Care

- Unlike a court settlement, under Enhanced Care, all British Columbians can access the care they need as soon as possible following a crash, and medical and rehabilitation benefits are available to an injured person for their lifetime, if needed.
- Drivers who cause crashes or drive dangerously are still held accountable and may pay more for their insurance and potentially face criminal or administrative sanctions or other consequences.
- With Enhanced Care, a catastrophically injured person does not have to wait years for a court settlement, which under the previous litigation-based model would often fall short of their care needs and be subject to being reduced by up to 33% in lawyer fees.
- Under the previous model, about 40% of people involved in crashes did not have another party to sue because their mistake (including split-second judgement errors) led to the crash.
- Enhanced Care has helped strengthen ICBC's financial position, enabling it to build back its depleted capital reserves and maintain affordable Basic insurance rates for British Columbians.
- Basic rates will be maintained until March 31, 2026, marking six years in a row with no increases.
- When Enhanced Care was introduced, eligible customers received a rebate of Basic premiums averaging \$150 between May-July 2021
- On average, since government enacted major ICBC reforms, customers with full ICBC Basic and Optional coverage have received an additional \$530 in four separate rebates and saved \$490 or 28% on their full coverage personal auto insurance (Basic and Optional) when renewing for the first time under Enhanced Care.
- B.C.'s Enhanced Care vehicle insurance model is similar to care-based insurance systems in Quebec, Manitoba and Saskatchewan.

Ontario Auto Insurance Model

- Ontario has private auto insurance and a legal-based model, with restrictions on the right to sue for less serious injuries.
- In 2024, Ontario's rates increased despite facing the same challenges in the material damage sector that B.C. has been experiencing.
- A November 2022 report by the Office of the Auditor General of Ontario found that the average premium paid by Ontarians for private passenger automobile insurance increased by almost 14% to \$1,642 between 2017 and 2021.

Implications / Considerations / Opportunities:

- With Enhanced Care and other recent reforms, B.C. has among the lowest auto insurance rates in the country. For example, the Alberta government noted that the average annual premium in Alberta earlier this year is \$1,889 and the required premium if they had the BC model would be \$1,238 (source: Oliver Wyman report).
- The consulting firm, MNP, recently issued a report indicating that Basic rates in Alberta are likely to increase by 87.6% on average by 2033 under the existing system with higher risk drivers seeing increases of as much as 148.2% (source: Thompson's World Insurance News, October 4).

- In Canadian jurisdictions where legal-based and private insurance systems exist, Basic insurance rates have not stayed flat, even in provinces with rate increase caps and some restrictions on the right to sue for less serious injuries such as Ontario and Alberta.
- A change to a legal-based model similar to Ontario would likely lead to an immediate increase on average of over \$500 on each policy, with ongoing future annual increases likely higher than inflation.
- Ontario and Alberta’s experiences demonstrate that efforts to provide a restricted right to sue for injuries ultimately lead to an increasing portion of files determined to be eligible for the right to sue due to legal advocacy.
- There are two constitutional challenges related to Enhanced Care currently before the Courts:
 - In July 2022, a catastrophically injured lawyer and the Trial Lawyers Association of BC filed a constitutional challenge against Enhanced Care in B.C. Supreme Court.
 - In August 2024, an injured business owner filed a Notice of Civil Claim against the Attorney General of BC, ICBC and a third-party driver, adopting the legal arguments of the 2022 constitutional challenge as well as lack of compensation for business losses.
- Since the introduction of Enhanced Care, ICBC continues to develop improvements, including:
 - A new program focused on helping customers who need additional support in navigating their claim and accessing benefits.
 - Working with external customer experience experts to deliver new specialized training for recovery specialists and their leaders to help address concerns around responsiveness and overall communication.
 - Developing multidisciplinary concussion and return work programs to support recovery and early and safe return to work.
 - Developing a new education module in collaboration with the B.C. Brain Injury Association to help ICBC better support people with brain injuries.
 - Providing additional vocational support to identify and train for alternate work if a person can no longer meet job requirements and demands of the employment they previously held.
- Recent media stories have highlighted concerns from individuals and families about Enhanced Care benefits and/or experiences with ICBC. In response, ICBC has committed to continuing to work with customers, stakeholders and health care professionals to ensure the best supports are in place for British Columbians.
- On or before May 1, 2026, the Legislative Assembly must appoint a special committee to conduct a review of Parts 10 (Enhanced Accident Benefits and Limits on Actions and Proceedings) and 11 (Basic Vehicle Damage Coverage and Limits on Actions and Proceedings) of the Insurance (Vehicle) Act, and the committee must submit a report on the results of the review to the Legislative Assembly within one year after the date the committee is appointed.

Decision(s) Required / Next Steps:

- N/A

MAJOR CORPORATE ISSUE NOTE
Statutory Review of Accident Benefits (Part 7 Benefits)

Ministry/Ministries:

- Ministry of Public Safety and Solicitor General/Crown Agencies Secretariat

Issue:

- As required under the Insurance (Vehicle) Act, the Province, led by the Crown Agencies Secretariat, is reviewing the accident benefit amounts set by regulation for accidents occurring before May 1, 2021:
 - Benefits payable to or on behalf of an insured person under Part 7 Accident Benefits; and
 - Amounts payable as benefits for the provision of health care by a health care practitioner (e.g., standard treatment fees) under Part 7 Accident Benefits.

Background:

- Certain ICBC accident benefit amounts are set in regulation as a dollar amount and other benefits are determined based on a formula or other calculation.
- Under the Act, there are Part 7 Accident Benefits for accidents occurring before May 1, 2021, and Enhanced Accident Benefits for accidents occurring on or after May 1, 2021. Part 7 Accident Benefits refer to the benefits set out in Part 7 of the Insurance (Vehicle) Regulation and associated Schedules to the regulation.
- In 2018, amounts payable as benefits for the provision of health care (e.g. physiotherapy, massage therapy, acupuncture treatment fees) were increased. At that time, the Province implemented two safeguards to ensure treatment fees payable would continue to reflect the reasonable cost of the service:
 1. Fees are subject to an annual CPI adjustment; and
 2. Benefit amounts set by government through regulation are subject to review every five years.
- The current Part 7 Accident Benefits review is the first under this five-year requirement.
- Individuals injured in a crash that occurred before May 1, 2021 continue to be entitled to receive Part 7 Accident Benefits for their ongoing recovery up to a maximum in medical and recovery benefits of \$300,000. This cap on medical and recovery benefits does not apply to benefits such as continuing wage loss benefits.
- As part of the review, the Crown Agencies Secretariat is engaging health care practitioner associations about the fees for initial assessment and standard treatment sessions as outlined in the Insurance (Vehicle) Regulation to ensure the fees reflect the reasonable cost of the services. If health care providers choose to charge more than the maximum fee, customers must pay the difference between the amount charged and the treatment fee set by regulation.

Implications / Considerations / Opportunities:

- A report on the review and recommendations must be submitted to the Minister responsible for ICBC and submitted to the Legislative Assembly by March 31, 2025.

- While the regulated benefit amounts for Enhanced Accident Benefits are not part of this review, the outcome may impact benefit amounts as treatment fees for standard treatments are the same under both types of accident benefits based on the date the treatment is provided, regardless of the date of the accident.

Advice/Recommendations

Decision(s) Required / Next Steps:

- N/A

MAJOR CORPORATE ISSUE NOTE

Improving Access to ICBC's Driver Licensing Systems and Services

Ministry/Ministries:

- Ministry of Public Safety and Solicitor General

Issue:

- ICBC is advancing work to modernize BC's driver licensing (DL) systems and services to ensure they continue to provide services that are reliable and responsive to the needs of customers now and in the future.

Background:

- ICBC has been delivering a suite of services to or on behalf of the Province for over 25 years including:
 - Issuing driver's licences, BC identification cards and BC Services cards;
 - Providing administrative support for the Driver Improvement Program and Driver Medical Fitness program;
 - Setting driver testing standards and administering knowledge and road tests;
 - Overseeing the driver training industry; and
 - Processing and administering violation tickets, fine collection and refuse-to-issue programs.
- ICBC is working to replace its aging foundational technology to reduce current risks and provide flexibility and agility for future changes. The work includes both technology upgrades and the provision of new or improved digital services in addition to in-person services.
- Additional benefits of modernization include:
 - Alignment with Declaration Act Action Plan and B.C.'s Digital Plan;
 - Ability to sustain and scale to demand delivery of DL services; and
 - Stronger and more agile systems integrations with provincial government systems and programs.
- ICBC has also been working to modernize DL services by:
 - Undertaking a review of road test processes and outcomes to reduce road test wait times.
 - Transitioned from seven to eight-digit DL numbers to provide more than 240 years of available DL numbers.
 - Translating the Learn to Drive Smart program into five new languages (Arabic, Farsi, Punjabi, Simplified Chinese, and Vietnamese).
 - Opened new DL offices and a dedicated road test centre to reduce wait times and support drivers in Fraser Valley and West Kelowna.
- The ongoing modernization of driver licensing will ensure continued delivery of ICBC services with the quality and accessibility expected by British Columbians.

- The delivery of new or improved services will be a multi-stage process so customers will see changes implemented over several years.
- The long-term vision is for ICBC to have the ability to deliver a modernized DL customer experience through a digital-first approach that provides secure, accessible, affordable programs and services, while maintaining in-person services for those who prefer to access services in-person, while ensuring road safety.

Implications / Considerations / Opportunities:

- Modernization of DL systems and services is increasingly foundational to key government business processes and capabilities, including the Province's Digital Plan and Declaration Act Action Plan.
- Advice/Recommendations
- ICBC strives to support Indigenous and rural/remote communities and provides DL services to remote communities throughout the province. For example, ICBC is installing DL Knowledge Testing kiosks in all government appointed agent offices and is piloting mobile DL testing and ID issuance in some Indigenous communities with plans for future expansion.
- Consistent with Declaration Act action plan item 3.15, ICBC is working with the Ministry of Citizens' Services to develop options to display Indigenous language names on ICBC-issued identification cards.

Decision(s) Required / Next Steps:

- N/A

**CROWN AGENCIES SECRETARIAT – INSURANCE CORPORATION OF BC (ICBC)
KEY STAKEHOLDERS**

Name	Description	Key Issues / Interests
Association for Injured Motorcyclists	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
Automotive Retailers Association	Represent the automotive industry in B.C. across eight key divisions: Automotive Glass - Auto Rental - Automotive Recyclers - Collision Repair - Licensed Motor Dealers - Mechanical Repair - Towing & Recovery.	<ul style="list-style-type: none"> ICBC compensation for key material damage suppliers (collision repair, auto glass, towing).
BC Association of Chiefs of Police. Traffic Safety Committee	Represents senior police leadership of both the RCMP and Municipal police within B.C. with a purpose to provide consistency, efficiency, and effectiveness of police practices. The Traffic Safety Committee promotes public safety through supporting road safety initiatives, working with community and partners.	<ul style="list-style-type: none"> Road safety partner.
BrainTrust Canada	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
British Columbia Association of Clinical Counsellors	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.

Name	Description	Key Issues / Interests
British Columbia Association of Kinesiologists	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
British Columbia Association of Municipal Chiefs of Police	Represented by the BCACP. BCAMCP is a stakeholder through the BCACP.	
British Columbia Association of Traditional Chinese Medicine and Acupuncture Practitioners	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
British Columbia Brain Injury Association	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
British Columbia Chiropractic Association	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
British Columbia Psychological Association	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
British Columbia Graduated Licensing Driving School Association	Consortium of driving schools in B.C. that provide driver training and the ICBC-approved training course	<ul style="list-style-type: none"> Participant in the 2023/2024 GLP review.

Name	Description	Key Issues / Interests
British Columbia Trucking Association	Represent the province-wide, non-partisan, non-profit motor carrier association formed solely to advance the interests of British Columbia motor carriers. The organization is member based, so it may not necessarily represent the interests of all commercial carriers.	<ul style="list-style-type: none"> Commercial vehicle driver licensing requirements. Commercial vehicle insurance rates.
Canadian Association of Occupational Therapists – BC Branch	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
Canadian Mental Health Association – British Columbia Division	Leading health care group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
Disability Alliance BC	Previously leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
Doctors of BC	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
Fraser Valley Brain Injury Association	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
GF Strong	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.

Name	Description	Key Issues / Interests
HUB Cycling	Represents a charitable not-for-profit organization that removes barriers to cycling in Metro Vancouver.	<ul style="list-style-type: none"> Enhanced Care coverage.
Injury Recovery Management Panel	ICBC established the interdisciplinary panel to advise on design of Enhanced Care to meet the needs of those with catastrophic injuries.	<ul style="list-style-type: none"> Enhanced Care coverage for those with serious and catastrophic injury.
Insurance Brokers Association of BC	Representative of all insurance brokers in the province. A significant portion of their business is comprised of ICBC auto insurance sales.	<ul style="list-style-type: none"> Enhanced Care coverage financial and operational implications for brokers. Online sales of ICBC auto insurance.
Insurance Bureau of Canada	Representative for private auto insurance companies in BC. Leading voice for choice in auto insurance and shift away from current ICBC monopoly on basic coverage.	<ul style="list-style-type: none"> Choice in auto insurance. Enhanced Care coverage implications for private insurers.
Nanaimo Brain Injury Society	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
Pain BC	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.
Physiotherapy Association of BC	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
Praxis Spinal Cord Institute	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> Enhanced Care coverage.

Name	Description	Key Issues / Interests
Progressive Heavy Collision Association	Represents a collective of heavy/commercial repair facilities that provide services to ICBC.	<ul style="list-style-type: none"> • ICBC commercial repair rates and policies.
Registered Massage Therapists Association of British Columbia	Leading health care practitioner group that provides significant services to those injured in an accident.	<ul style="list-style-type: none"> • Participant in the 2024 CAS-led Part 7 Benefits Fee Regulatory Review.
Spinal Cord Injury	Leading advocacy group on behalf of those injured in and disabled as a result of an accident.	<ul style="list-style-type: none"> • Enhanced Care coverage.
Union of British Columbia Indian Chiefs	Non-profit political organization representing numerous First Nations across BC in order to protect and further Aboriginal title and rights.	<ul style="list-style-type: none"> • “Road to Reconciliation” discussion paper and participant in 2023-2024 GLP Review. • Has been advocating for better access to driver license training and licensing processes for Indigenous peoples.
Vancouver Island Tow Operators	Represents Vancouver Island tow operators providing services to ICBC and RoadSafetyBC.	<ul style="list-style-type: none"> • Towing and storage fees and regulations.
Westcoast Automotive Business Association	Represents a small number of tow operators providing services to ICBC and RoadSafetyBC.	<ul style="list-style-type: none"> • Has been advocating for increased rates under ICBC’s material damage programs. • Would like to negotiate rates on behalf of industry (challenging Competition Act).

Liquor Distribution Branch

Liquor Distribution Branch

**Ministry of Public Safety and Solicitor General
Minister's Transition Book**

**Liquor Distribution Branch
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1. LDB Profile and Governance
2. Executive Member Biographies
3. BCLDB Service Plan 2024/27
4. LDB Annual Service Plan Report 2024
5. Issue Notes
 - 2024 Vintage Replacement Supports
 - Business Technical Advisory Panel on Liquor (BTAP)

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6. LDB Key Stakeholders

LIQUOR DISTRIBUTION BRANCH (LDB)

Associate DM Responsible: Blain Lawson, General Manager and Chief Executive Officer

Core Program Area Description:

In B.C., the Liquor Distribution Branch (LDB) is one of two branches of government that provide oversight for the beverage alcohol and non-medical cannabis (cannabis) industries; the other is the Liquor and Cannabis Regulation Branch (LCRB). The LDB is responsible for the wholesale distribution and retail sale of beverage alcohol and cannabis while the LCRB oversees the regulation and licensing of private retail sales of liquor and cannabis and events. As of 2024/25, both LDB and LCRB are situated in the Ministry of Public Safety and Solicitor General (PSSG) and are accountable to that minister, though the LDB reports through the Crown Agencies Secretariat (CAS) in the Ministry of Finance.

The liquor industry is governed by two pieces of Provincial legislation. The *Liquor Distribution Act* (LDA) gives the LDB the sole right to purchase beverage alcohol both within B.C. and from outside the province, in accordance with the federal *Importation of Intoxicating Liquor Act*. The *Liquor Control and Licensing Act* gives LCRB the authority to license private liquor stores, restaurants, pubs, and manufacturers, and enforce regulations.

Similarly, the *Cannabis Distribution Act* (CDA) establishes a government wholesale distribution model for cannabis, public cannabis retail stores, and a publicly run e-commerce retail channel. The *Cannabis Control and Licensing Act* gives LCRB the authority to license private cannabis stores and enforce some aspects of the regulations.

The LDB:

- Has a General Manager and Chief Executive Officer who is responsible for administering the LDA and the CDA, subject to direction from the Minister of Public Safety and Solicitor General;
- Oversees a province-wide mixed public-private retail and public wholesale beverage alcohol and cannabis business model;
- Distributes liquor products through two distribution centres in Delta and Kamloops, and cannabis products through a distribution centre in Richmond;
- Provides online ordering systems for wholesale customers of beverage alcohol and cannabis;
- Operates 198 BCLIQUOR stores (BCL) and 39 BC Cannabis Stores (BCCS); and
- Operates an e-commerce retail channel for cannabis under the BCCS brand.

The revenue generated by the LDB helps fund essential public services like health care, education, and other community programming.

Budget:

The LDB's net income and contribution to government was \$1.15 billion in fiscal 2023/24.

<i>\$millions</i>	2023/24 Actual	2024/25 Budget	2025/26 Plan	2026/27 Plan
Revenue				
<i>Revenue</i>	3939.5	3970.1	4038.7	4082.0
<i>Cost of Sales</i>	2237.0	2277.6	2319.4	2346.4
Gross Margin	1702.5	1692.5	1719.3	1735.7
Expenses				
<i>Operating Expenses - Employment</i>	350.8	371.5	383.1	384.3
<i>Operating Expenses – Amortization</i>	67.5	66.8	71.1	71.7
<i>Operating Expenses – Administration</i>	68.6	93.0	96.6	98.1
<i>Operating Expenses – Bank Charges</i>	41.8	43.5	45.9	48.1
<i>Operating Expenses – Facilities¹</i>	33.5	36.1	37.3	38.7
<i>Operating Expenses – Lease Financing</i>	6.8	6.9	7.7	8.5
Total Expenses	569.0	617.8	641.7	649.4
<i>Other Income</i>	14.7	15.0	15.0	15.0
Net Income	1148.2	1089.7	1092.6	1101.3
Capital Expenditures	18.3	34.0	27.4	28.9
Total Debt²	233.0	287.1	291.8	300.9
Accumulated Surplus (Deficit)	-	-	-	-

¹Facilities costs consist of common area maintenance, property taxes, utilities, repairs, and maintenance.

²LDB does not have any loans. Debt consists of lease liabilities as of March 31.

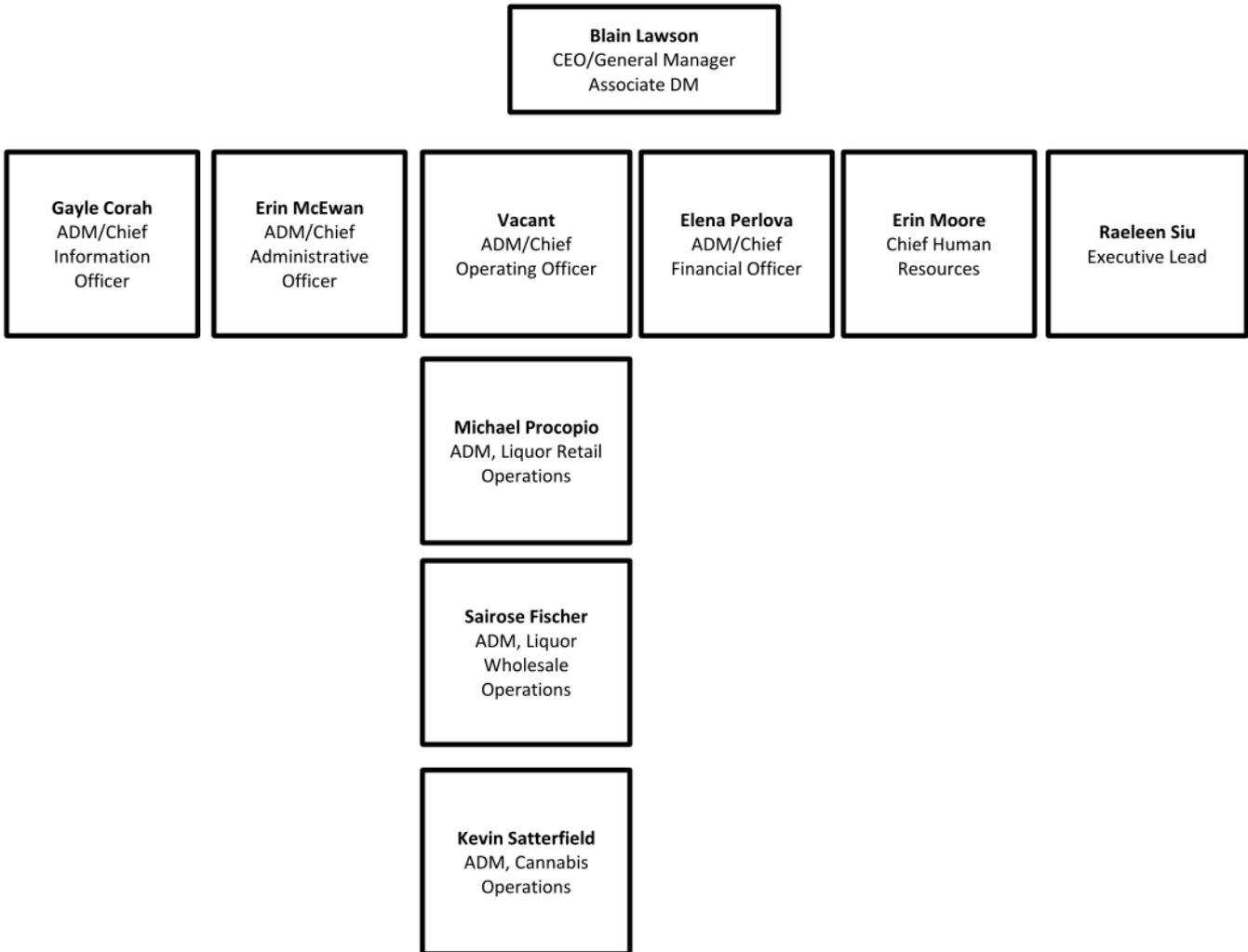
Full Time Equivalent (FTEs):

The LDB employs approximately 5,600 full- and part-time staff as of July 2024.

Related Legislation:

- *Liquor Distribution Act*
- *Federal Importation of Intoxicating Liquor Act*
- *Liquor Control and Licensing Act*
- *Cannabis Distribution Act*
- *Cannabis Control and Licensing Act*

Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Name: Sairose Fisher

Title: Assistant Deputy Minister, Liquor Wholesale Operations, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Sairose Fisher has been leading Liquor Wholesale Operations at the Liquor Distribution Branch (LDB) since 2020, overseeing more than 900 employees across two distribution centres in Delta and Kamloops; two customer service centres; and a centralized supply chain, procurement, and importation group that services over 8,000 customers and works with over 1,000 agents, manufacturers, and associations. During her time leading Liquor Wholesale Operations, Sairose has protected B.C.'s liquor supply chain from disruption during some of the province's most challenging times, including the COVID-19 pandemic, wildfires, and extreme weather events that damaged critical transportation infrastructure throughout the province. Sairose first joined the LDB in 2015 as the Director of Wholesale Supply Chain, shortly after the LDB separated its wholesale and retail lines of business. In this role, Sairose was responsible for leading the modernization and transformation of the LDB's wholesale supply chain planning, procurement, and customer ordering process.

Sairose's background in supply chain management is extensive. She served as the Vice President of Merchandising for Roots & Roots '73 and Vice President of Planning and Supply Chain for Sterling Shoes, among other senior roles in Canada and the United Kingdom. Sairose has a Bachelor of Science from the University of Cardiff and completed her post-graduate education at Kingston University in London. As an immigrant and a woman of colour, Sairose is passionate about creating spaces that are inclusive, and where we can learn how to be more visible and supportive allies to each other.

EXECUTIVE MEMBER BIOGRAPHY



Name: Michael Procopio

Title: Assistant Deputy Minister, Liquor Retail Operations, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Michael Procopio is a career public servant. Since 2014, he has provided leadership to BCLIQUOR (BCL), overseeing 198 liquor stores and a workforce of approximately 3,500 full- and part-time employees. In this role, Michael led the transformation of BCL when the Liquor Distribution Branch (LDB) separated its wholesale and retail lines of business in 2015. This included transforming the BCL brand, creating a “Customer First” service culture, and introducing a category management strategy to improve selection of products. As a result of these efforts, BCL increased profits, improved customer service, and created a modern digital marketing strategy.

Michael’s background in government is extensive. Other roles he has held at the LDB include serving as Regional Manager, Director in Training & Development, Director of Labour Relations, and Director of Merchandising. Michael’s most recent role before his current appointment was as the Executive Director of Human Resources, where he represented the LDB at Collective Bargaining. Michael is a proud British Columbian, born and raised in the Lower Mainland, who graduated from Simon Fraser University in Economics and Business.

EXECUTIVE MEMBER BIOGRAPHY



Name: Kevin Satterfield

Title: A/Assistant Deputy Minister, Cannabis Operations, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Kevin Satterfield joined the Liquor Distribution Branch (LDB) in 2017. He has been acting as Assistant Deputy Minister, Cannabis Operations since August 2024; prior to that, he was Director of Cannabis Store Operations. As ADM, Cannabis Operations, Kevin is accountable for the leadership and strategic direction of BC's cannabis supply chain, which fully integrates all functions from supplier through to the wholesale customer, driving profitability through the delivery of product via the LDB's logistics channels. Kevin is also accountable for the sale of cannabis and related products and driving profitability through merchandising at 39 BC Cannabis Stores province-wide. Cannabis Operations has a workforce of approximately 650 employees, spread out across multiple business areas including Distribution, Supply Chain, Wholesale, Customer Care Centre, Retail Merchandising, Digital Operations, and Store Operations. Kevin played an integral part in the launch of Cannabis Operations in 2018, leading the strategy for introducing government retail stores across BC and focusing on community relationship development to continue growth over the past 6 years.

Kevin has an extensive background in the retail sector. Before coming to the LDB, he served as Director of Store Operations and IT Operations for Best Buy Canada, where he was successful at integrating retail business and technology operations with operations at Best Buy US. Prior to Best Buy, Kevin managed Eaton's flagship store in Victoria, overseeing an expansive renovation and re-launch of the brand in that market. He was also director of operations for Sport Mart Canada, overseeing a national expansion that saw the organization grow from 9 stores when he joined to 69 stores by the time he left.

EXECUTIVE MEMBER BIOGRAPHY



Name: Erin McEwan

Title: Assistant Deputy Minister and Chief Administrative Officer, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Erin McEwan has more than 30 years of progressive leadership experience in the B.C. Public Sector. Her deep understanding of how large public sector organizations work – including how public policy, commercial operations, and private sectors intersect – has supported her in nurturing a strong network of stakeholders that includes government representatives, Indigenous partners and industry leaders.

Erin has leveraged her leadership and relationship building skills in a number of positions at the Liquor Distribution Branch (LDB). Most recently, Erin spent six years as Executive Director, Corporate Strategic Services (CSS), where she was responsible for driving transformational changes across the organization to improve efficiencies, create business value, and support capacity, while positioning the LDB for the future. In her current role as Assistant Deputy Minister and Chief Administrative Officer, Erin continues to oversee the CSS division, which includes Policy, Corporate Communications and Partner Relations, Strategy and Business Transformation, Enterprise Project Management, Privacy and Information Management, and Sourcing and Vendor Performance, as well as the Corporate Operations division, which includes Corporate Loss Prevention, Leasing, Construction and Facilities, and Internal Audit. As a systems thinker, Erin seamlessly integrates complex information and environmental context to articulate a clear vision that supports the organization's goals. She spearheads a high-performing team of experienced individuals, connecting with empathy and leading with a diversity, equity and inclusion mindset.

EXECUTIVE MEMBER BIOGRAPHY



Name: Gayle Corah

Title: A/Assistant Deputy Minister and Chief Information Officer, Liquor Distribution Branch; Assistant Deputy Minister, Cannabis Operations, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Gayle Corah joined the Liquor Distribution Branch (LDB) in October 2019. In her role as ADM, Cannabis Operations, she oversees the LDB's retail and wholesale non-medical cannabis business, which includes 39 BC Cannabis Stores and distribution to more than 450 private cannabis stores. Under her leadership, Cannabis Operations has gone through significant growth over the past five years and she has built a strong team that is passionate about delivering results for the province and supporting the growth of a sustainable cannabis industry. She is currently acting in the role of ADM and Chief Information Officer.

Gayle has more than 30 years of experience in retail and wholesale environments prior to joining the LDB. This includes more than six years as VP of IT and two years as VP of People at Save-On-Foods, where her passion for developing women into leadership roles resulted in the creation of a successful women's leadership program. Gayle is a thoughtful and inclusive leader who focuses on building long-lasting relationships, leading with integrity, and delivering outstanding results by inspiring and aligning teams to a shared vision. She also believes in active involvement in the community, which has led to her volunteering for the Langley Hospice Society for more than 10 years.

EXECUTIVE MEMBER BIOGRAPHY



Name: Blain Lawson

Title: CEO and General Manager, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Blain Lawson has been the General Manager and Chief Executive Officer of the Liquor Distribution Branch (LDB) since 2013, overseeing a retail and wholesale beverage alcohol business and, since 2018, a retail and wholesale non-medical cannabis business. Both lines of business operate province-wide within a mixed public-private model. The LDB has a workforce of nearly 5,600 full- and part-time employees. Blain has overseen several large business transformation initiatives across the organization, including the separation of the LDB's wholesale and retail lines of business in 2015, the launch of LDB Cannabis Operations in 2018 and the implementation of hospitality pricing in 2021, a significant policy change that permitted liquor hospitality customers to purchase product from the LDB at wholesale price.

Blain's background in the retail sector has been extensive; he served as president and CEO for Coast Wholesale Appliances, where he was successful at moving the organization forward through challenging economic times and led the conversion of the company from an Income Trust to a Corporation. Prior to that, Blain worked at Hudson's Bay in Toronto for just over a decade, heading Merchandising for home furnishings and décor, pharmacy, men's and children's apparel and licensed departments. He also led and managed the Home Outfitters division, setting the strategic direction and overseeing operations. Blain was born and raised in Brockville, Ontario and is a graduate of Carleton University.

EXECUTIVE MEMBER BIOGRAPHY



Name: Elena Perlova, CPA, CGA, PMP, PBA

Title: A/Chief Financial Officer, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Elena Perlova joined the Liquor Distribution Branch (LDB) in 2009 to work on a major Enterprise Resource Planning (ERP) Implementation project. Elena progressed from Project Lead to Director of Revenue in 2012, where she managed revenue and banking services for the LDB's retail and wholesale, industry, and environmental programs; in this role, she oversaw the move of more than 400 BC liquor manufacturers and rural agency stores to electronic reporting to improve service and efficiency of revenue collection. In 2016, as Director of Finance for Wholesale, she provided controllership services, budgeting, reporting and financial oversight to Wholesale Supply Chain operations and led the Regulatory and Compliance team in overseeing compliance and revenue collection from BC manufacturers and private distributors. She led the implementation of a new model that improved cash flow and records availability for more than 300 BC liquor manufacturers and created major operating efficiencies for LDB through the closure of 300 bank accounts and the reduction of receivables. Since November 2023, Elena has been acting as Chief Financial Officer.

Prior to the LDB, Elena worked in a publicly traded company assisting the controller and setting up ERP for six international offices. She has also provided management consulting, project management and systems implementation services with several consulting agencies.

EXECUTIVE MEMBER BIOGRAPHY



Name: Erin Moore

Title: Chief Human Resources Officer, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Erin Moore joined the Liquor Distribution Branch (LDB) in 2009 as a Business Transformation Lead. For the past 10 years, she has been a member of the LDB's Human Resources team, primarily in the role of Director, Talent and Compensation. In her current role as Chief Human Resources Officer (CHRO), Erin provides leadership to a division comprised of five departments responsible for: Talent, Organizational Design, Data Analytics & Compensation; Health, Wellness, and Safety; Employee Relations & Labour Relations; Organizational Development, Learning & Change; and Reconciliation, Equity, Diversity & Inclusion. In her tenure at the LDB, Erin has sat on steering committees for several transformational programs and takes great pride in moving the organization forward to meet strategic operational goals and objectives through a people lens.

Prior to joining the LDB, Erin worked in the public sector as a Chartered Accountant for KPMG Vancouver and in a consultant capacity for several private sector companies. She was born and raised in Nanaimo, BC and is a graduate of BCIT and Royal Roads University.

EXECUTIVE MEMBER BIOGRAPHY



Name: Raeleen Siu

Title: Executive Lead, Liquor Distribution Branch

Ministry: Public Safety and Solicitor General

Biography:

Raeleen Siu joined the Liquor Distribution Branch (LDB) in November 2023. Raeleen's career as a public servant includes 17 years in human resources, starting as an HR intern in the Alberta Government and ending as Executive Director, Strategic HR, at the BC Ministry of Finance. Raeleen developed the first provincial Health Human Resources plan, unifying all health authorities in B.C. with a single strategy for managing the supply and demand for physicians, nurses and allied health professionals. She also led the human resources transition of the Financial Institutions Commission (FICOM) to a Crown agency.

Raeleen then served as Executive Director at Treasury Board Staff, responsible for the budgeting and financial management of nine ministries, before spending three years as Executive Director of Public Information and Corporate Services at the Ministry of Finance's Revenue Division. Raeleen's most recent role before joining LDB was as Executive Director, Corporate Priorities and Communications with the Ministry of Emergency Management and Climate Readiness. As a first generation Canadian of Chinese and Ukrainian descent, Raeleen is an advocate of diversity and is passionate about creating inclusive and culturally safe workplaces.

BC Liquor Distribution Branch

2024/25 – 2026/27 Service Plan

February 2024



For more information on the BC Liquor Distribution Branch contact:

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Published by BC Liquor Distribution Branch

General Manager and CEO's Accountability Statement



The 2024/25 – 2026/27 BC Liquor Distribution Branch (LDB) Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. I am accountable for the contents of this plan and responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 5, 2024 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, LDB's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of LDB's operating environment, forecast conditions, risk assessment, and past performance.

A handwritten signature in black ink, appearing to read 'R. Blain Lawson', with a stylized flourish at the end.

R. Blain Lawson
General Manager and Chief Executive Officer, LDB
February 5, 2024

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Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 service plan outlines how the LDB will support the government's priorities and selected action items identified in the most recent [Minister's Letter of Direction](#).

Purpose of the Organization and Alignment with Government Priorities

In British Columbia, the LDB is one of two branches of government that provide oversight for the beverage alcohol and non-medical cannabis (cannabis) industries; the other is the Liquor and Cannabis Regulation Branch (LCRB). The LDB is responsible for the wholesale distribution and retail sale of beverage alcohol and cannabis. The LCRB oversees the regulation and licensing of private retail sale of liquor and cannabis and events.

The [Liquor Distribution Act](#) (LDA) gives the LDB the sole right to purchase beverage alcohol both within British Columbia (B.C.) and from outside the province, in accordance with the federal [Importation of Intoxicating Liquors Act](#). The LCRB licenses private liquor stores, restaurants, pubs, and manufacturers, and enforces regulations under the [Liquor Control and Licensing Act](#).

The [Cannabis Distribution Act](#) (CDA) establishes a government wholesale distribution model for cannabis, public cannabis retail stores, and a publicly run e-commerce retail channel. The LCRB licenses private cannabis stores and enforces some aspects of the regulations under the [Cannabis Control and Licensing Act](#).

Accountable to the Minister of Public Safety and Solicitor General, the LDB:

- Has a General Manager and Chief Executive Officer who is responsible for administering the LDA and the CDA, subject to direction from the Minister of Public Safety and Solicitor General;
- Oversees a province-wide mixed public-private retail and public wholesale beverage alcohol and cannabis business model;
- Distributes liquor products through two distribution centres in Delta and Kamloops, and cannabis products through a distribution centre in Richmond;

- Provides online ordering systems for wholesale customers of beverage alcohol and cannabis;
- Operates 198 BCLIQUOR stores (BCL) and 39 BC Cannabis Stores (BCCS);
- Operates an e-commerce retail channel for cannabis under the BCCS brand; and,
- Employs approximately 5,660 full- and part-time staff.

As part of B.C.'s mixed public-private retail and public wholesale beverage alcohol and cannabis business model, the LDB is committed to focusing on customer needs, which includes providing an expansive product selection and offering exceptional customer service.

The LDB and LCRB have a shared mandate to encourage the responsible consumption of beverage alcohol and cannabis and work closely together to coordinate policies and programs to that end.

The LDB is committed to government's goals of making life better for people in B.C., improving services, and ensuring a sustainable province for future generations. The revenue generated by the LDB helps fund essential public services like health care, education, and other community programming.

The LDB will continue to help government advance lasting and meaningful reconciliation. For example, the LDB will continue supporting Indigenous Nations' participation in the cannabis industry through the [cannabis direct delivery program](#) and the [BC Indigenous Cannabis Product \(BCICP\) program](#), which promote greater visibility of Indigenous cannabis producers and their products to both wholesale and retail customers.

Operating Environment

Shift in Consumer Trends

The LDB regularly reviews market conditions and sales trends and considers the impacts of changes in policy or regulatory approaches as part of its forecasting activities. Recent trends of increased sales of lower priced products indicate a possible shift in consumer price sensitivity and behaviour, especially as concerns regarding inflation and a potential economic slowdown persist. Other recent changes include increased public discourse around the impacts of alcohol consumption on health and safety.

As new consumer buying habits become known, the LDB's business areas will continue to take steps to ensure they are making responsible purchasing decisions and maintaining fiscal responsibility. In our retail stores, BCL and BCCS will continue to adjust operations, as necessary, to accommodate changes in consumer trends. This includes implementing changes to product assortments that reflect consumer buying habits and allocating the correct amount of shelf space for products based on the value and volume of each product subcategory.

Business Continuity

In recent years, the LDB has been impacted by disruptions caused by supply chain challenges, labour market pressures, inflation, and extreme weather events, which have, at times, impacted the LDB's ability to ensure timely product delivery. These challenges highlight the need for the LDB to revisit its approach to contingency planning to safeguard its operations against major impacts of unexpected disruptions. As part of its commitment to continuous improvement, the LDB will continue to implement initiatives aimed at mitigating the impacts of unexpected events and disruptions on customers and suppliers.

Business Technical Advisory Panel

In 2017, government appointed a panel of liquor industry stakeholders to the Business Technical Advisory Panel (BTAP). The panel was established to advise on possible liquor reforms to improve efficiency and outcomes for business and government. In April 2018, BTAP presented its initial report containing 24 liquor policy recommendations to government. To date, most initial recommendations have been addressed by industry and government, and several emergency recommendations have been implemented. With this progress in mind, government and BTAP made a commitment to reflect on their work and to identify and assess new opportunities and priorities to better meet today's environment.

In fiscal 2024/25, work to address the updated set of shared priorities and initiatives will include continued consultation and engagement with BTAP as well as cross-industry and government collaboration to address current challenges and support industry. Through the ongoing relationship with BTAP, the LDB will share information and seek feedback on policy and regulatory improvements aimed at supporting the sustained growth of the liquor industry.

Digital Modernization

Over the next several years, the LDB will be undertaking key technology upgrades to set the LDB on a strong and sustainable path forward. In the long-term, the plan is to transition the LDB from the current aging information technology (IT) infrastructure and business applications to a modernized IT architecture. This work is a priority as it will help address organizational risks associated with aging technology systems.

This work will begin with a focus on modernizing liquor wholesale systems before beginning on cannabis wholesale systems. The LDB will be taking steps to modernize its wholesale technology systems to leverage industry standards and to set the foundation to address risks associated with aging technology systems while increasing responsiveness to industry needs into the future.

In fiscal 2024/25, a key component of the modernization work will be the development of a comprehensive change management strategy. The focus of this strategy will be on ensuring adoption of the new solutions and a smooth transition to new business processes. It will place a strong emphasis on stakeholder engagement to bring internal and external stakeholders

along on the change journey. The strategy will define LDB's approach to engaging with liquor and cannabis wholesale customers throughout the change process.

Continued Establishment of B.C.'s Cannabis Industry

The LDB is the sole wholesale distributor and public retailer of cannabis. Through its efforts, it enables an efficient and resilient supply chain for B.C. cannabis producers, processors, and private retail stores that operate within the marketplace. Aligned with its role, the LDB will continue to work collaboratively with its ministries' counterparts to support the objectives of increasing legal market competitiveness and ensuring access to quality product selection for consumers.

For example, the LDB delivers programs such as the cannabis direct delivery program and the BCICP program. Both programs first launched in 2022 in support of legal market competitiveness for small-scale and Indigenous producers in B.C. while providing opportunities for licensed cannabis retailers to build strong relationships directly with suppliers. More specifically, the purpose of the cannabis direct delivery program is to enable B.C.-based nurseries and small-scale cultivators who produce up to 3,000 kilograms of cannabis per year to direct deliver their products to retailers across the province. The BCICP program highlights cannabis products from B.C.-based Indigenous producers in private cannabis retail stores, BCCS, and online, helping consumers easily identify Indigenous products and make purchasing decisions. Together, these programs also open greater access to specific products for local consumers.

With only five years passing since legalization, the legal cannabis marketplace is still in its early phases of development and is continuing to evolve and mature. The LDB will continue to implement measures to support the development of a sustainable legal cannabis market aligned with government's priority of eliminating the illicit market. Specifically, in 2024/25, the LDB will continue its review of its cannabis direct delivery program in partnership with the Cannabis Secretariat to assess the program to identify possible program improvements.

Annual Economic Statement

B.C.'s economy posted modest growth last year as interest rate increases weighed on the economy, and employment continued to expand, supported by immigration. Inflation in the province continued to ease and the Bank of Canada has not raised its policy interest rate since July 2023. The impact of higher rates on borrowing costs and elevated household debt led to lower consumer spending and reduced home sales. Lumber, natural gas and coal prices declined in 2023, reducing the value of the province's goods exports. Meanwhile, there was a record number of housing starts in the province in 2023. There is uncertainty over the transmission of high interest rates to the residential construction sector and the duration of slower growth for the rest of the economy in B.C. and among our trading partners. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 0.9 per cent in 2023 and expects growth of 0.5 per cent in 2024 and 2.1 per cent in 2025. Meanwhile for Canada, the EFC estimates growth of 1.1 per cent in 2023 and projects national real GDP growth of 0.5 per cent in 2024 and 1.9 per cent in 2025. As such, B.C.'s economic growth is expected to be

broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook continue to center around interest rates and inflation, including the risk of price increases stemming from geopolitical conflicts, the potential for interest rates remaining higher for longer, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, lower commodity prices, climate change impacts and the volatility of immigration levels.

Performance Planning

Goal 1: Sustain net returns to the Province of B.C.

The LDB is committed to optimizing its financial performance to deliver its expected financial results to the Province of B.C. The LDB is a significant generator of government revenue, which supports public services that British Columbians rely on every day. To achieve this goal, the LDB will continue to look for opportunities to enhance sales and increase operating efficiencies.

Objective 1.1: Optimize LDB's financial performance

The financial success of the LDB's wholesale and retail lines of business are key to supporting net returns to the Province of B.C.

Key Strategies

- Enhance liquor and cannabis wholesale inventory management by focusing on improving forecasting and working closely with suppliers.
- Enhance sales in BCL and BCCS by focusing on strategic product assortment and improved forecasting.
- Manage liquor and cannabis wholesale operating expenses by closely monitoring on-hand inventory and maintaining comprehensive cost controls.

Discussion

In the coming fiscal year, the LDB is dedicated to achieving several key strategies in the areas of liquor and cannabis inventory management, sales enhancement, and expense control. The common thread within each of these key strategies is an emphasis on supplier collaboration with the aim of achieving increased effectiveness and efficiency.

Liquor and cannabis wholesale will focus on enhancing inventory management by refining the methods that are used for forecasting. Additionally, liquor and cannabis wholesale will continue to collaborate with suppliers on strategies to address slow-moving inventory effectively. This includes providing guidance to suppliers to facilitate a price change or promotion, to optimize inventory. In doing so, we anticipate a more cost-effective inventory management process.

A key priority will be to responsibly support sales growth at BCL and BCCS. Work towards this priority will include strategically selecting product assortments and improving the accuracy of forecasting. For example, BCL's adoption of an assortment planning tool which is aimed at improving its agile response to emerging customer purchasing trends. This work is intended to align product offerings more closely with customer demand, resulting in sales growth and overall customer satisfaction.

In line with the LDB's commitment to fiscal responsibility, liquor and cannabis operating expenses will continue to be carefully managed. This management will involve closely

monitoring on-hand inventory levels and maintaining comprehensive cost controls. This includes leveraging historical data and sales patterns to help strike a balance between avoiding stockouts and minimizing excess inventory. In doing so, the LDB will maintain efforts to maximize operational efficiency while keeping expenses in check.

Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
1.1a Net income (in \$ millions) ^{1,2}	\$1,150.3	\$1,089.7	\$1,092.6	\$1,101.3
1.1b Liquor distribution centres inventory turnover per year ³	13.0	13.1	13.2	13.3
1.1c Cannabis distribution centre inventory turnover per year ⁴	9.3	9.0	9.0	9.0
1.1d BCL sales per square foot ^{5,6}	\$1,472	\$1,487	\$1,501	\$1,509
1.1e BCCS sales per square foot ⁷	\$800	\$800	\$850	\$850

¹ Data source: BCL and BCCS sales data are collected from point-of-sale cash register systems and stored in Head Office databases. Sales made directly to customers by authorized representatives on behalf of the LDB are transmitted to the LDB and stored in databases. LDB financial statements are audited annually by the Office of the Auditor General. LDB expense data is captured, stored, and reported by the LDB's financial system.

² 2024/25 and 2025/26 targets have been updated to reflect the projected industry outlook for both liquor and cannabis of reverting to historical averages.

³ Data source: Inventory data is collected from applications at LDB's liquor distribution centres in Delta and Kamloops designed for this purpose and stored in Head Office databases. Inventory turnover is calculated by dividing the duty paid cost of shipments from LDB's liquor distribution centres to customers (including BCL) by the average inventory in the same period.

⁴ Data source: Inventory data is collected from applications at LDB's cannabis distribution centre designed for this purpose and stored in Head Office databases. Inventory turnover is calculated by dividing the duty paid cost of shipments from LDB's cannabis distribution centre to customers (including BCCS and BCCannabisStores.com) by the average inventory in the same period.

⁵ Data source: BCL sales data is collected from point-of-sale cash register systems and stored in Head Office databases.

⁶ 2024/25 and 2025/26 targets have been adjusted to reflect minor updates to square footage at some stores and updated inflation forecasts.

⁷ Data source: BCCS sales data is collected from point-of-sale cash register systems and stored in Head Office databases. It is based on total square footage, not sales floor space.

Discussion

1.1a Net Income

Net income represents the LDB's contribution to the Province from the sale of beverage alcohol and cannabis in B.C. LDB's financial statements are audited by the Office of the Auditor General of British Columbia.

The LDB is forecasting to meet the Budget 2023 target for fiscal year 2023/24 assuming no significant sales impacts due to external factors. However, the fiscal year 2023/24 forecast reflects a decrease in net income of 4.0 per cent compared to fiscal 2022/23 net income of \$1,198.3 million due to lower gross margins on product sales and higher anticipated operating expenses. Future year targets for 2024/25 and 2025/26 have decreased significantly from last year's Service Plan to reflect anticipated continuation of significant downward shifts in beverage alcohol sales due to changing consumer behaviour, economic conditions and inflationary impacts. These causes are somewhat mitigated by changes in operating costs due to revised staffing plans, changes in sales related costs and project timelines, which were slightly offset by increased facility-related costs.

For a list of the assumptions used in LDB's forecast, please see the "Key Forecast Assumptions, Risks and Sensitivities" section of this report.

1.1b and 1.1c Inventory Turnover

The distribution centre inventory turnover rate is an indicator that wholesale product assortment is aligned with market demands. It measures the number of times inventory has been shipped to wholesale customers (including BCL and BCCS) and replaced within a fiscal year.

Liquor

The LDB is forecasting that for fiscal 2023/24, its liquor inventory turnover will be 13.0, slightly short of its target of 13.6. This shift can be attributed to changing market conditions influenced by inflation and changes in consumer preferences towards lower-priced products, which have directly impacted inventory turnover. For that reason, the liquor inventory turnover target for fiscal 2024/25 has been revised to 13.1. Targets for subsequent years have also been revised to show a gradual growth from 13.1, as inflationary pressures are expected to lessen over time.

The revised targets through 2026/27 continue to ensure a stable supply of liquor to serve the size of B.C.'s market. The LDB's liquor distribution centres maintain an optimal on-hand inventory of three to four weeks to safeguard against supply chain disruptions and uphold high levels of customer service. Additionally, the liquor wholesale division works closely with its suppliers to optimize product availability. This collaboration involves data analysis and demand forecasting to identify and address slow-moving products. By proactively communicating with suppliers and sharing this information, strategies are developed together to reduce overstocking and optimize inventory levels. At the same time, the LDB's liquor wholesale division collaborates with suppliers to ensure adequate inventory levels of high-demand products that meet wholesale customers' evolving needs and preferences.

Cannabis

For fiscal 2023/24, the LDB anticipates surpassing its cannabis inventory turnover target of 9.0 with a rate of 9.3. This is due to higher-than-expected demand during the peak summer season and strong management of slow-moving and aged inventory. The management of slow-moving and aged inventory is done through routine inventory monitoring and

collaborative efforts with suppliers, including the development of action plans to address aged inventory.

Looking ahead, the cannabis inventory turnover target will remain at 9.0 for fiscal 2024/25 and subsequent fiscal years, extending through 2026/27. A target of 9.0 translates to maintaining approximately 40 days' worth of inventory at the LDB's cannabis distribution centre, ensuring a consistent and reliable supply of cannabis products for its customers. This target reflects the early stages of the legal cannabis marketplace, during which the LDB occasionally faces product shortages from licensed producers. Consequently, the LDB maintains an adequate product stock in its cannabis distribution centre to mitigate potential shortages.

As the cannabis industry and marketplace in B.C. continue to mature, the LDB will evaluate and potentially adjust its future inventory turnover targets with the goal of ensuring a reliable supply of cannabis for businesses across the province.

1.1d and 1.1e Sales per Square Foot

The amount of sales per square foot of retail space is an indicator of BCL and BCCS operating efficiency. The LDB regularly reviews its sales per square foot performance to optimally layout its stores with product assortment, space planning, and merchandising.

Liquor

The LDB is forecasting that for fiscal 2023/24, BCL sales per square foot will be \$1,472, slightly short of its target of \$1,497. This slight target shortfall can be attributed to decreased foot traffic, influenced by high inflation rates, and shifting trends in alcohol consumption.

Looking forward, the sales per square foot targets for each fiscal year, through 2026/27, have been slightly reduced. These targets have been adjusted down to account for projected inflation and planned minor modification in the square footage of some BCL locations due to store reconfigurations.

Cannabis

The LDB is projecting that it will meet its BCCS sales per square foot target of \$800 in fiscal 2023/24. Looking ahead, the target for fiscal 2024/25 will remain at \$800, given the anticipated persistence of competition from the illicit market and the continued entry of new private cannabis retailers into the market. Additionally, as the cannabis industry continues to mature, the average price per gram is expected to continue to decline. This price decline is likely to impact the total sales revenue of BCCS through 2024/25.

However, it is worth noting that the target for fiscal 2025/26 has been revised upward to \$850 and carried forward to fiscal 2026/27. This adjustment is due to the LDB's anticipation of higher sales volumes per square foot, driven by the continued revenue growth in major market stores and the opening of two new stores in high-density areas in 2023/24.

To maintain and enhance its sales performance, the LDB is actively analyzing BCCS customer purchasing patterns by location and region. This analysis informs decisions related to product assortment and merchandise planning. The LDB is committed to introducing new product

categories as they become available in the market to better serve existing and future customers.

Goal 2: Improve customer experience with the LDB

As the province's sole wholesale distributor of beverage alcohol and cannabis, and the public retailer of these products, the LDB is committed to providing best-in-class service to meet the needs of British Columbians and demonstrate its value and reliability to stakeholders.

Objective 2.1: Improve retail and wholesale customer satisfaction

Delivering a high standard of service and maintaining customer satisfaction are critical priorities for the LDB.

Key Strategies

- Leverage liquor wholesale data to support more accurate deliveries and introduce secondary freight carriers in each region to support consistent service delivery.
- Continue implementing BCL's multi-year brand modernization strategy to offer a consistent omnichannel customer experience.
- Maximize BCL's operational effectiveness and customer service delivery through employee training and implement the employee-use of portable tablets in stores to enhance customer interactions.
- Leverage market research and survey feedback to execute related initiatives and process improvements with the aim of meeting BCCS and cannabis wholesale customer needs.
- Begin process for updating technology systems to align with industry standards and provide a streamlined liquor and cannabis wholesale customer experience.

Discussion

Each line of business has customized their approach to improving customer satisfaction, specific to their respective needs and operating environments. These approaches include improvements to product delivery, quality assurance, operational effectiveness, brand consistency, and understanding customer needs.

Driven by a dedication to customer satisfaction, the LDB's liquor wholesale division is proactively implementing measures, such as introducing secondary freight carriers in each region to enhance service reliability and minimize disruptions. Simultaneously, the liquor wholesale division will be focusing on coaching staff to support more accurate deliveries. Specifically, it will leverage data and insights from internal audits of orders and shipments processed to inform how to best coach employees on addressing issues. These steps reinforce the LDB's commitment to ensuring an exceptional liquor wholesale customer experience.

BCL's brand modernization strategy was developed based on consumer research findings and aims to appeal to its target segments and attract a refreshed customer base. The strategy will start to influence in-store collateral, social media, advertising, website, and different

touchpoints to create a consistent, engaged, and modernized BCL brand and customer experience. As part of their annual refresh strategy, BCL continues to renovate stores with the updated BCL brand look and feel. BCL has also recently rolled out new portable tablets to enhance service delivery and inventory management. The use of portable tablets enhances customer service by enabling product searches and product information on the sales floor. This means that associates no longer have to leave the customer on the sales floor and walk to a workstation to access the information they need. In addition, BCL recently launched, and will continue to roll out, a new service training program for all associates and a sales coaching program for store leaders. These programs will help ensure customers' needs are met consistently throughout all BCL locations.

In 2024/25, the LDB's cannabis operations will be implementing insights and learnings gained from market research completed by a professional, third-party research and analytics company. Market research of cannabis consumers and BCCS customers' attitudes and needs will better assist the LDB in serving customers and potential customers, and help the organization cater its information, communications, services, and product mix in the future.

The LDB's cannabis wholesale division will be conducting its annual online survey to collect feedback from its wholesale customers regarding their service satisfaction. Based on feedback collected, the division will enhance its service to customers and implement process improvements, where feasible. The division's approach to leveraging survey insights has already been proven to positively impact cannabis wholesale customer satisfaction. For example, in its fiscal 2023/24 survey, the categories of service quality from the LDB's Cannabis Customer Care centre and product assortment saw an increase of eight per cent in customer satisfaction.

The LDB as a whole will be taking initial steps to modernize its business systems. The primary objectives are to reduce risks, align more effectively with industry standards, and deliver key functionalities that liquor and cannabis wholesale customers have advocated for. These key functionalities include end-to-end order tracking visibility and complete order and inventory management. During fiscal 2024/25, the LDB will develop a comprehensive change management strategy that addresses the approach to engaging internal and external stakeholders to adequately support this change.

The LDB's efforts will also include the development of a deployment strategy to define the key objectives of modernization and to create a plan that will address the needs of those involved in the transition. This deployment strategy will be developed during a detailed discovery phase, conducted in collaboration with an external solution and implementation partner. The LDB will follow a competitive procurement process to select the most suitable external solution and implementation partner.

Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
2.1a Liquor Wholesale on-time delivery ¹	95.1%	95.0%	95.0%	95.0%
2.1b Cannabis Wholesale on-time delivery ²	97.3%	98.5%	99.0%	99.0%
2.1c Liquor Wholesale accurate delivery ³	99.6%	98.8%	98.8%	98.8%
2.1d Cannabis Wholesale accurate delivery ⁴	94.5%	96.0%	97.0%	97.5%
2.1e BCL retail customer satisfaction ^{5, 6}	74.0%	74.0%	75.0%	75.0%

¹ Data source: Delivery data is collected by LDB’s own fleet of freight vehicles and third-party freight carriers and audited against bill of lading documents signed by the customers, confirming arrival times for accuracy of data.

² Data source: Delivery data is collected by third-party freight carriers through their proof of delivery systems and audited against customers’ reports of late deliveries.

³ Data source: Based on an audit of four per cent of orders and shipments processed by the LDB’s liquor distribution centres.

⁴ Data source: Based on an audit of all orders and shipments processed by LDB’s cannabis distribution centre.

⁵ Data source: The LDB contracts a professional, third-party company to conduct market research. Data from insights shared by an online panel are shared with the BCL via a dashboard that includes high-level graphs.

⁶ 2024/25 target has been adjusted to reflect a more realistic outcome because of a change in methodology of collecting customer feedback from in-store survey to digital (online). Generally, lower results can be expected from digital surveys.

Discussion

2.1a and 2.1b Wholesale On-time Delivery

In 2023/24, the LDB shifted its approach to focus on objective measurement of its on-time delivery rate as an indicator of wholesale customer service levels. Previously, the LDB reported on results of its liquor wholesale customer satisfaction survey, conducted every two years. Wholesale on-time delivery measures the number of orders that arrive at a customer’s location within a pre-determined delivery window. On-time delivery allows customers to plan labour more effectively and is a key driver of wholesale customer satisfaction.

Liquor

In line with industry standards, the LDB will continue to target a 95 per cent success rate in liquor wholesale delivery. The 2023/24 forecast predicts the achievement of this goal. This success is attributed to the implementation of more robust contingency planning.

Liquor distribution centres discount delays caused by factors beyond their control, such as highway closures due to extreme weather events, from its on-time delivery performance measure.

Cannabis

The introduction of real-time tracking by carriers in the first half of 2023/24 has improved the LDB's cannabis distribution centre's methods for measuring on-time performance and immediately addressing delays. However, improved accuracy of tracking late deliveries and highway closures due to wildfires have negatively impacted the LDB's on-time delivery performance. As such, the LDB forecasts a 97.3 per cent result for fiscal 2023/24 against a target of 98.0 per cent. The LDB has and will continue to optimize its delivery windows and routes as more cannabis stores enter the retail marketplace and to mitigate service disruptions to its customers.

The LDB's cannabis operations faces a unique challenge related to the fluctuating mix of customers, products, and order size from week to week that impacts its selection of carriers. This, in turn, impacts the LDB's performance against this measure. Future year targets through to 2026/27 account for planned incremental improvements to on-time performance and enhanced precision of measuring performance.

2.1c and 2.1d Wholesale Accurate Delivery

In addition to reporting on-time delivery rates as noted above, the LDB monitors its accurate delivery rate as an indicator of wholesale customer satisfaction. Wholesale accurate delivery measures the accuracy of orders that are fulfilled and delivered to a customer without error. A higher order accuracy rate allows customers to operate their business more efficiently by allowing them to quickly get their product to market and strengthens wholesale customer satisfaction while reducing the LDB's labour cost associated with correcting inaccurate orders. To maintain its wholesale delivery accuracy, the LDB regularly reviews its audit and quality assurance records to identify, investigate, correct, communicate, and prevent through employee education the causation of errors upstream in the order picking process.

Liquor

The forecast for 2023/24 stands at 99.6 per cent, almost one per cent above the target of 98.8 per cent. This strong performance can be attributed to training and improved processes, with a greater focus on accuracy. Liquor wholesale division consistently maintains a baseline and target of 98.8 per cent from year to year. This demonstrates the LDB's commitment to providing accurate and reliable delivery services, encompassing both product and quantity delivery accuracy.

Cannabis

The LDB's cannabis distribution centre implemented an enhanced version of its packing tool to reduce error within its two-part order fulfillment process, picking and packing. As a result of correcting packing errors before orders leave the warehouse, the LDB forecasts a year-over-year result of 94.5 per cent in 2023/24. However, unforeseen challenges with its technology systems experienced in the early part of the fiscal year prevented the achievement of the intended target of 95.0 per cent.

The LDB will continue to monitor its cannabis order accuracy. Additionally, steps will be taken to reduce errors in the order picking process. These measures are intended to enhance performance incrementally in 2024/25 and 2025/26 and achieve a target accuracy rate of 97.5 per cent by 2026/27.

2.1e BCL Retail Customer Satisfaction

As mentioned in previous reports, for fiscal year 2023/24, BCL changed its retail customer satisfaction surveying methodology from in-store to online, which aligns with industry best practice. Instead of gathering results every two years, BCL will have access to a real-time results dashboard, allowing for more timely decisions and actionable findings. The new methodology is also more cost-effective, less intrusive for in-store customers, and will also provide more flexibility to update survey questions over time.

At the time of writing its 2023/24 – 2025/26 Service Plan, no specific target was set for BCL customer satisfaction in the 2023/24 fiscal year. As a result of the data obtained from implementing and conducting the real-time online survey during this period, BCL has revised its 2024/25 target from 87 per cent to 74 per cent to reflect a more realistic outcome of collecting customer feedback online. Generally, lower customer satisfaction results can be expected from online surveying methods because of anonymity. To align with the outcome of adopting the new surveying methodology, an updated target has been established for fiscal 2025/26 and a new target defined for 2026/27.

Goal 3: Create positive social impact

Social and environmental responsibility is a key element of the LDB’s mandate. To support these efforts, the LDB focuses on three themes: reducing the impact its business has on the environment, encouraging and promoting the responsible use of alcohol and cannabis, and giving back to the people and communities it serves.

Objective 3.1: Minimize the impact of LDB operations on the environment

The LDB is taking steps to move towards net zero emissions and eliminate waste and single-use plastics from entering landfills. This work is aligned with the [CleanBC Roadmap to 2030](#) and government’s legislated target to reduce greenhouse gas emissions from buildings by 40 per cent below 2007 levels, and by 40 per cent below 2010 levels for fleet vehicles by 2030.

Key Strategies

- Reduce the overall waste generated by the LDB across all lines of business.
- Develop programs to recognize and promote to customers the environmental sustainability practices of liquor manufacturers and cannabis suppliers and their products.
- Continue to replace LDB’s gas and hybrid fleet vehicles with light-duty, zero-emission vehicles (ZEVs) and explore incorporating ZEVs and hydrogen-fuelled heavy-duty freight vehicles into operations.

- Support the CleanBC Roadmap to 2030 by delivering programs and solutions that reduce the LDB's carbon footprint.

Discussion

The LDB will continue to work to minimize the impact of operations on the environment through a wide range of strategies encompassing all lines of business.

On a monthly basis, the LDB analyzes data provided by contracted waste management providers. The aim of this analysis is to improve visibility into real-time diversion activities, quickly deploy corrective measures, and develop optimal permanent solutions. All BCL and BCCS retail locations will continue to align with single-use plastic regulations. They will also expand their organics collection and recycling streams to ensure all worksites follow municipal, provincial and federal environmental priorities.

As part of its ongoing commitment to reducing the impact of its operations on the environment, the LDB plans to develop programs centred on sustainable packaging within its distribution supply chain (e.g., recognizing manufacturers that use lightweight glass, recyclable, or post-consumer recycled materials).

Inserting CleanBC 2030 objectives into business operations remains a priority to ensure the LDB reaches provincial targets for waste and emissions reduction. To date, 23 per cent (six out of 26) of the LDB's light-duty vehicle fleet has been converted to ZEVs. The rollout of ZEVs for the light-duty fleet will continue in 2024/25 in alignment with the LDB's fleet strategy. The strategy supports the reduction of LDB's vehicle fleet emissions into the future. Additionally, the LDB will work to align with regulations, compliance requirements, and phased implementation targets (e.g., incorporating ZEVs and hydrogen heavy-duty fleet freight vehicles into operations).

Efforts made to reduce emissions and the organization's annual emissions profiles are reported in the LDB's [Carbon Neutral Action Reports](#) published on its website. The Carbon Neutral Government requirements are set out in B.C.'s [Climate Change Accountability Act](#) and the [Carbon Neutral Government Regulation](#).

Objective 3.2: Encourage the responsible use of beverage alcohol and non-medical cannabis

The LDB will continue to support government's mandate of prioritizing public health and safety and promoting responsible consumption and awareness of the risks associated with consuming liquor and cannabis.

Key Strategies

- Prevent sales to minors or intoxicated persons in BCL and BCCS through employee education and consistent ID-checking.
- Reinforce social responsibility and responsible consumption through campaigns and the display of educational material, signage, and content in BCL and BCCS stores and their social media channels.

Discussion

The LDB is committed to being a responsible retailer of liquor and cannabis. To support this commitment, BCL and BCCS will continue ID-checking all customers who appear under the age of 30. Additionally, stores will continue to take part in campaigns centered around responsible consumption and awareness of the health risks associated with the misuse of alcohol and cannabis. The campaigns, which range in themes from impaired driving to consuming in moderation, are implemented across all sales channels. BCL and BCCS regularly review their ID-checking and social responsibility materials for relevancy. On an ongoing basis, the LDB continues efforts to develop modern and fresh campaigns in alignment with LCRB and promotes them in collaboration with stakeholders and community partners.

BCL reminds all sales associates daily of its Check-30 Program to reinforce the importance of asking customers who appear younger than 30 for two pieces of identification prior to transacting their purchase. In addition to ID-checking at the till, BCCS strategically allocates resources to check identification at store entrances during peak traffic periods.

BCCS continues to reinforce its commitment to social responsibility and the importance of all ID-checking requirements to keep cannabis out of the hands of minors. Enhanced ID-check training materials are being rolled out to all BCCS employees.

Objective 3.3: Increase positive social impact

The LDB already delivers several social impact activities across the organization. Going forward, the LDB will build on these existing activities to further affect change from a social, environmental, and economic standpoint to benefit all British Columbians.

Key Strategies

- In 2024/25, the LDB will launch its unified corporate impact strategy and continue to develop and execute social and environmental programs aligned with the strategy.
- Support the communities in which the LDB operates by facilitating select in-store charitable programs or campaigns in 2024/25, in alignment with the corporate impact strategy.
- Support employees in building respectful, meaningful relationships with Indigenous Peoples and help advance reconciliation efforts by continuing to implement activities within the LDB's multi-year Indigenous Learning Journey.
- Continue to take steps to foster a safe and supportive work environment by establishing a dedicated diversity and inclusion team to lead the development of a multi-year diversity and inclusion strategy and undertake related employee engagement activities.

Discussion

In 2024/25, the LDB will launch and begin implementing its corporate impact strategy, which has been developed with the intention of unifying the organization's social and environmental

initiatives to have a positive impact on the communities in which it operates. The strategy is guided by four pillars: people, communities, the environment, and partners. All programs and activities executed under this strategy will align with one or more of these pillars to ensure the LDB's social and environmental activities provide positive benefits to employees, Indigenous partners, stakeholders, and customers.

Planned programs include campaigns aimed at highlighting the positive social and environmental activities being undertaken in the liquor and cannabis industries. Additionally, there will be in-store charitable campaigns executed via the LDB's network of BCL and BCCS to raise funds and awareness for community partners and charitable organizations. Further, there will be diversity and inclusion campaigns, such as the Do You Proud campaign, which launched in 2022 with an emphasis on supporting the 2SLGBTQIA+ communities. The strategy will continue to be expanded and new programs will be developed to address emerging social and environmental causes that align with objectives of the strategy.

In line with building respectful, meaningful relationships with Indigenous Peoples, the LDB created a multi-year Indigenous Learning Journey in fiscal 2021/22. This initiative was developed in partnership with an Elder-led Indigenous organization and aims to assist LDB employees to build cultural awareness, sensitivity and agility to enhance positive relationships with Indigenous communities and partners. Looking ahead to fiscal 2024/25, the LDB will focus on executing the third phase of its Indigenous Learning Journey. This phase entails the development of LDB-specific learning solutions and toolkits to be deployed across the organization. The LDB will also assess existing Indigenous learning programs, including those currently in development by the B.C. Public Service Agency. These assessments will support the enhancement of LDB programs to include elements of Indigenous cultural safety.

The LDB will continue to work to embed a culture of diversity and inclusion across the organization. This effort aligns with the Province's overarching commitment to diversity, anti-racism, gender equity, and reconciliation with Indigenous Peoples. In fiscal 2024/25, the LDB will be taking steps to establish a dedicated diversity and inclusion team. This team will be responsible for leading the development of a multi-year strategy to create a more inclusive, safe, and supportive work environment for all employees. Additionally, in fiscal 2024/25, the LDB will continue to execute several employee engagement activities aimed at raising awareness about the various cultures that make up our organization and the communities we serve and that emphasize the importance of celebrating diversity.

Performance Measures

Performance Measure	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
3.1a Waste diversion rate ¹	89.0%	90.0%	91.0%	91.0%
3.2a BCL and BCCS compliance with ID-checking requirements ²	94%	100%	100%	100%
3.3a Consumer stakeholder awareness of LDB’s corporate social impact ³	n/a	n/a	n/a	n/a

¹ Data source: Diversion rates are determined based on measured weights reported by contracted waste and recycling service providers.

² Date source: The LCRB administers an ID compliance checking program and provides the results of BCL and BCCS compliance to the LDB.

³ Forecast and targets are to be determined.

Discussion

3.1a Waste Diversion Rate

Waste diversion rates represent the percentage of material diverted from the landfill through composting and recycling at LDB worksites serviced by contracted waste and recycling service providers. The rates are determined based on measured weights reported by the contracted waste and recycling service providers. A limitation to this performance measure is that a portion of BCL and BCCS locations are overseen by landlords that do not currently provide their waste collection and diversion data to the LDB. As such, these BCL and BCCS locations are excluded from this performance measure.

For fiscal year 2023/24, we have forecasted a waste diversion rate of 89.0 per cent, which aligns with the established target. Looking ahead to 2024/25, the LDB plans to work collaboratively with landlords of BCL and BCCS locations to expand its measurement of waste diversion across worksites that are currently the responsibility of our landlord partners. Using the data collected, the LDB will make necessary adjustments to its targets through to 2026/27. Additionally, the LDB will work with landlords to develop programs to ensure that all worksites under measurement align with these updated targets.

LDB’s future targets for waste diversion, as outlined in this Service Plan up to 2026/27, represent the broadening of recycling streams at worksites currently serviced by LDB-contracted service providers, improving the quality of reporting from these providers, and maintaining our commitment to employee education and engagement in diverting materials from landfill.

3.2a BCL and BCCS Compliance with ID-checking Requirements

BCL and BCCS continue to enforce the ID-checking program through employee training, customer awareness, and store signage. A continuous target of 100 per cent has been set to reflect the critical importance to the LDB of preventing sales to minors. In fiscal 2023/24, the

LCRB expanded its ID compliance checking program to include cannabis retailers. Results of BCL and BCCS compliance is provided by the LCRB to the LDB. Compliance in 2023/24 is forecasted to be 94 per cent, based on data from the LCRB, against a target of 100 per cent. To date, LCRB conducted 52 and 18 inspections of BCL and BCCS, respectively. Out of these inspections, there were two infractions each for BCL and BCCS. Enhanced ID-check training materials continue to be rolled out to all BCL and BCCS employees to reinforce the LDB's commitment to social responsibility and the importance of all ID-checking requirements.

3.3a Consumer Stakeholder Awareness of LDB's Corporate Social Impact

As part of the development of its corporate impact strategy, the LDB will implement tracking measures to assess the success and reach of social impact activities. Work to establish metrics is currently underway and is expected to be completed in 2025/26. The LDB expects to use tools such as employee and stakeholder surveys, customer insights surveys, and data tracking to evaluate its performance against this measure. Additionally, the LDB will establish targets for each of its programs to ensure they are delivering the intended impact.

Financial Plan

Financial Summary

\$millions	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Revenue				
Revenue	3,957.7	3,970.1	4,038.7	4,082.0
Cost of Sales	2,251.2	2,277.6	2,319.4	2,346.4
Gross Margin	1,706.5	1,692.5	1,719.3	1,735.7
Expenses				
Operating Expenses – Employment	350.3	371.5	383.1	384.3
Operating Expenses – Amortization	65.6	66.8	71.1	71.7
Operating Expenses – Administration	71.1	93.0	96.6	98.1
Operating Expenses – Bank Charges	43.6	43.5	45.9	48.1
Operating Expenses – Facilities ¹	33.9	36.1	37.3	38.7
Operating Expenses – Lease Financing	6.7	6.9	7.7	8.5
Total Expenses	571.2	617.8	641.7	649.4
Other Income	15.0	15.0	15.0	15.0
Net Income	1,150.3	1,089.7	1,092.6	1,101.3
Capital Expenditures	25.4	34.0	27.4	28.9
Total Debt²	263.5	287.1	291.8	300.9
Accumulated Surplus (Deficit)	-	-	-	-

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

¹ Facilities costs consist of common area maintenance, property taxes, utilities, repairs, and maintenance.

² LDB does not have any loans. Debt consists of lease liabilities as of March 31.

Key Forecast Assumptions, Risks and Sensitivities

Due to market volatility, the LDB has considered various external factors in preparing economic forecasts in the short term. These factors include weakening consumer confidence, tightening labour markets, and rising household costs. Due to these factors, consumers are expected to be more price-conscious and focus on products that provide value for money.

The LDB closely monitors the liquor and cannabis industries, especially the state of supply chains, and continually assesses potential impacts to LDB finances and business operations.

The LDB's forecast includes the following assumptions:

- An overall sales revenue growth of 2.2 per cent in fiscal 2023/24 over the previous fiscal year, driven primarily by changes in inflation, product mix, and increased cannabis retail locations.

Beverage alcohol assumptions

- In fiscal year 2024/25 through 2026/27, beverage alcohol sales dollar increases will be an average of 1.0 per cent primarily due to a small decline of volume in litres sold and higher costs.
- The stabilization of the liquor wholesale customer market share in fiscal year 2023/24 with minimal changes in future years.
- The beverage alcohol product mix is changing due to economic conditions and shifting consumer preferences through fiscal year 2023/24; moving away from spirits and wine, towards lower-margin refreshment beverage. However, the product mix will be reverting to historical trends through 2026/27.
- The volume of beverage alcohol measured in litres is expected to decline 1.7 per cent in fiscal year 2024/25 from 2023/24 levels, however increasing slightly through 2026/27.
- As cannabis sales increase there will be no significant impact on liquor sales.

Cannabis assumptions

- The cannabis legal market will continue to expand which will result in increased LDB sales as more private retailers enter the marketplace. The rate of growth will slow as the industry continues to mature.
- Product selection will continue to change with innovation, and there will be continued strong growth in extracts and concentrates.
- Product margins will shift as new products are introduced and consumers' consumption patterns change.

Capital requirements reflect expenditures for opening and renovating BCL and BCCS, operating equipment, vehicles, and updating technology-related hardware.

Future projects include updating existing IT to ensure robust, secure systems, and moving to a cloud or software-as-a-service solution where possible. The LDB will continue investing in retail

and wholesale operations to support efficient and timely delivery of products while complying with regulatory requirements.

Sensitivity Analysis

Beverage alcohol and cannabis are discretionary consumer products and sales are affected by lifestyle choices, availability of products, as well as economic conditions. Consumer confidence in the economy impacts the level of entertainment dollars spent on beverage alcohol and cannabis. In an inflationary environment in which the costs of basic goods and services are high, consumers can become more price-sensitive and shift towards lower-priced products.

Changes in the marketplace with innovation in new products and changes in consumer preferences can result in changing product margins and slow-selling products. Bodies of research that discuss the potential harms and health risks associated with the consumption of alcohol may also impact consumer behaviour and buying trends. The LDB proactively monitors trends and adjusts buying to ensure appropriate inventories are in stock. In B.C.'s mixed public-private retail model, there is an impact on LDB revenues whether consumers purchase in an LDB-operated store or a private store.

Constraints in the supply chain can impact the availability of products. Environmental conditions that cause fires, floods and drought have impacted the supply chain and caused business disruptions. Shortages in materials like aluminum and cardboard have created production problems for suppliers, impacting the availability of product for the LDB and its customers. Continuing disruption of key international shipping routes as a result of humanitarian and/or environmental crises may introduce additional logistical barriers, supply shortages, and price increases.

Cultural shifts and demographics also influence purchasing patterns. Changing consumer preferences indicate a shift away from beer towards other product categories, while some surveys indicate that younger people of legal drinking age tend to drink less.

Weather patterns and the timing of statutory and non-statutory holidays can impact the LDB's revenue. A hot, dry summer and long weekends normally result in increased sales, particularly in the refreshment beverage and beer categories. Conversely, colder and/or wetter weather conditions have a negative impact on liquor sales. The timing of statutory and non-statutory holidays also impacts sales – when holidays fall on Mondays or Fridays, sales are much stronger than when they fall on Tuesdays or Wednesdays.

The LDB monitors all these factors using the best information available to ensure sound decisions are made with respect to product mix, supply, and staffing.

Product Margins

The LDB has a variety of margins on products and, as a result, changes in product mix impact net income. Due to the percentage-based mark-up in place for products, each percentage change in product costs across the wine, spirit, refreshment, and cannabis categories has a cumulative effect of approximately \$15.0 million on net income.

Beer has a volume-based mark-up and, therefore, the same margin dollars are generated regardless of supplier prices. The LDB derives more margin dollars when there is a volume increase in beer sales.

Increased sales of lower-margin products and decreased sales of higher-margin products both result in lower product margins for the LDB overall. They also result in a flattening of revenue to the Province of B.C. over time.

BC VQA wines and wines produced from 100 per cent B.C. grapes also generate lower gross margin dollars, in general. As these two categories grow in relation to other product categories, the LDB's margin as a percentage of sales will decrease.

Management's Perspective on Financial Outlook

Inflation, supply chain issues, labour shortages, and decreasing economic consumer confidence are likely to continue to present uncertainties and risks to the LDB.

In its liquor operations, the LDB will continue to focus on business efficiencies and adapting to the needs of its wholesale and retail customers. In BCL operations, future initiatives will focus on enhancing the customer shopping experience. In liquor wholesale operations, pricing and supply chain processes and systems continue to be reviewed and streamlined to gain efficiencies and more flexibility.

As the legal cannabis industry in B.C. continues to evolve, the LDB will focus on maintaining efficient distribution operations to support Indigenous and small-scale producers in B.C. and improve consumer access to products. The LDB will work with licensed producers to provide a variety of high-quality products and to expand product offerings with a focus on having the right product at the right price. On the retail side, the LDB will continue to operate BCCS locations to service the needs of the community and promote safe, responsible consumption while making necessary adjustments to align with government policy changes when required.

Labour shortages, particularly in skilled and IT roles, can result in increased operating costs for the LDB. This is due to the reliance on external contractors to fill these vacancies. To address this challenge, the LDB will continue to implement plans to support employee recruitment, engagement, and retention. Furthermore, the ongoing development of leadership capabilities across the organization will enable the LDB to sustain operational efficiencies.

Appendix A: Minister's Letter of Direction



VIA EMAIL

Ref: 655915

August 18, 2023

R. Blain Lawson
General Manager and Chief Executive Officer
BC Liquor Distribution Branch
Ministry of Public Safety and Solicitor General
3383 Gilmore Way
Burnaby BC V5G 4S1

Dear Blain Lawson:

I would like to extend my thanks to you and your executive leadership team for your dedication, expertise, and service to the people of British Columbia.

This letter, which I am sending in my capacity as Minister responsible for the BC Liquor Distribution Branch (LDB), sets out overarching principles relevant to the public sector and specific direction on priorities and expectations for the LDB for the remainder of Government's term.

Government must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity. In doing so, you will continue working towards lasting and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure the LDB implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50 per cent reduction in public sector building emissions and a 40 per cent reduction in public sector fleet emissions by 2030. As a branch of government, the LDB is expected to report out on these plans and activities.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical

.../2

R. Blain Lawson
Page 2

responsibility to tackle systemic discrimination in all its forms – and every branch of government has a role in this work. The adoption of the Gender-Based Analysis Plus (GBA+) lens is required to ensure gender equity is reflected in your operations and programs.

British Columbians expect that government operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The LDB must also demonstrate continued diligence and education to maintain an effective fraud risk management strategy, including, for example, strategies for minimizing large cash transactions.

In addition to continuing to make progress on your 2021 mandate letter, and working with the Crown Agencies Secretariat in the Ministry of Finance, I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following continuing priorities within your approved net income targets:

- Strengthening the LDB's focus on corporate social impact/responsibility through initiatives that align with government's social and environmental priorities;
- Continuing commitment to improve organizational effectiveness and management practices by building on existing strengths to enhance a productive work culture and bolster overall performance; and,
- Working with other government partners to refresh and refocus the LDB's work with the Business Technical Advisory Panel on areas that are mutually beneficial and straightforward to advance.

I look forward to continuing to work with you to meet the high standards set for us by all British Columbians.

Sincerely,



Mike Farnworth
Minister of Public Safety and Solicitor General
and Deputy Premier

pc: Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Kim Horn
Executive Lead, Crown Agencies Secretariat
Ministry of Finance

BC Liquor Distribution Branch

2023/24 Annual Service Plan Report

Revised August 2024



For more information on the BC Liquor Distribution Branch, please contact us at:

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Or visit our website at: www.bcldb.com

Published by the BC Liquor Distribution Branch

General Manager and CEO's Accountability Statement



The BC Liquor Distribution Branch 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 - 2025/26 Service Plan published in 2023. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read "R. Blain Lawson". The signature is stylized and written in a cursive-like font.

R. Blain Lawson
General Manager and Chief Executive Officer
July 30, 2024

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Letter from the General Manager and CEO

Amidst the changing operational landscape in 2023/24, the BC Liquor Distribution Branch (LDB) continued to deliver on its priorities by remaining committed to providing excellent service to our customers and industry stakeholders, while taking steps to offset adverse economic conditions and shifting consumer behaviour.

The LDB generated \$3.94 billion in revenue and \$1.15 billion in net income in fiscal 2023/24 – which helps to fund vital public services that support the citizens and communities of British Columbia (B.C.). While operating expenses were below budget, persistent inflationary pressure on consumers' discretionary spending and lower beverage alcohol consumption led to a net income slightly below target.

With the current economic conditions expected to continue, net income targets have been updated for the coming fiscal years. These forecasts reflect lowered revenue expectations and the need to invest in capital projects that support long-term revenue growth, business modernization, and customer service. In the meantime, the LDB continues to explore measures to increase net income and reduce operating expenses.

Over the past year, the LDB continued to work closely with liquor industry stakeholders through the Business Technical Advisory Panel (BTAP) to close off the 2018 report and recommendations before refocusing priorities to better align with the changing environment. Government worked in partnership with industry to establish a new set of shared priorities which the LDB started working on in January 2024.

B.C.'s liquor industry is important to the economy and the LDB remains committed to supporting its growth. In recognition of the extreme weather events and forest fires that have caused grape shortages throughout the province, the LDB is working with other ministries across government to identify and explore options that provide short-term and medium-term solutions to support B.C. grape growers and wineries.

Furthermore, the LDB continues to work closely with cannabis industry partners and government counterparts to ensure the continued development of a successful and sustainable cannabis industry for all stakeholders, and to support government's mandate to eliminate the illicit market. As part of its efforts to support Indigenous and small-scale producer participation and help grow a robust, diverse, and sustainable regulated cannabis industry in B.C., the LDB remains committed to a review of central distribution cannabis mark-up, as well as of the direct delivery program, including program eligibility and mark-up.

Social and environmental responsibility is a core element of the LDB's mission, focusing on reducing environmental impacts, promoting responsible use of alcohol and cannabis, giving back to communities, and supporting diversity. In 2023/24, thanks to the concerted efforts of our employees and the outstanding generosity of our customers, the LDB raised over \$2.1 million for community partners and charitable organizations.

With both challenges and exciting opportunities in the years ahead, the LDB will continue to adapt to its changing operating environment to generate income for the Province and support government's goals of making life better for people in B.C.



R. Blain Lawson
General Manager and Chief Executive Officer
July 30, 2024

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020, and expanded upon in the [2021/22 Mandate Letter](#) from the Minister Responsible and the most recent Minister's Letter of Direction (see [Appendix A](#)), shaped the goals, objectives, performance measures and financial plan outlined in the BC Liquor Distribution Branch's [2023/24 – 2025/26 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

In B.C., the LDB is one of two branches of government that provide oversight for the beverage alcohol and non-medical cannabis (cannabis) industries; the other is the Liquor and Cannabis Regulation Branch (LCRB). The LDB is responsible for the wholesale distribution and retail sale of beverage alcohol and cannabis. The LCRB oversees the regulation and licensing of private retail sales of liquor and cannabis and events.

The [Liquor Distribution Act](#) (LDA) gives the LDB the sole right to purchase beverage alcohol both within B.C. and from outside the province, in accordance with the federal [Importation of Intoxicating Liquor Act](#). The LCRB licenses private liquor stores, restaurants, pubs, and manufacturers, and enforces regulations under the [Liquor Control and Licensing Act](#).

The [Cannabis Distribution Act](#) (CDA) establishes a government wholesale distribution model for cannabis, public cannabis retail stores, and a publicly run e-commerce retail channel. The LCRB licenses private cannabis stores and enforces some aspects of the regulations under the [Cannabis Control and Licensing Act](#).

Accountable to the Minister of Public Safety and Solicitor General, the LDB:

- Has a General Manager and Chief Executive Officer who is responsible for administering the LDA and the CDA, subject to direction from the Minister of Public Safety and Solicitor General;
- Oversees a province-wide mixed public-private retail and public wholesale beverage alcohol and cannabis business model;
- Distributes liquor products through two distribution centres in Delta and Kamloops, and cannabis products through a distribution centre in Richmond;

- Provides online ordering systems for wholesale customers of beverage alcohol and cannabis;
- Operates 198 BCLIQUOR stores (BCL) and 39 BC Cannabis Stores (BCCS);
- Operates an e-commerce retail channel for cannabis under the BCCS brand; and,
- Employs approximately 5,600 full- and part-time staff.

As part of B.C.'s mixed public-private retail and public wholesale beverage alcohol and cannabis business model, the LDB is committed to focusing on customer needs, which includes providing an expansive product selection and offering exceptional customer service.

The LDB and LCRB have a shared mandate to encourage the responsible consumption of beverage alcohol and cannabis and work closely together to coordinate policies and programs to that end.

The LDB is committed to government's goals of making life better for people in B.C., improving services, and ensuring a sustainable province for future generations. The revenue generated by the LDB helps fund essential public services like health care, education, and other community programming.

The LDB will continue to help government advance lasting and meaningful reconciliation. For example, the LDB will continue supporting Indigenous Nations' participation in the cannabis industry through the [cannabis direct delivery program](#) and the [BC Indigenous Cannabis Product program](#), which promote greater visibility of Indigenous cannabis producers and their products to both wholesale and retail customers.

Operating Environment

Shift in consumer trends

In 2023/24, the LDB continued to see a shift in consumer trends and spending where increasing shelter, food, clothing, and transportation costs are leading consumers to take a cautious approach to discretionary spending. These adverse economic factors are exacerbated by changing consumer habits. Surveys suggest that younger people are drinking less than previous generations, and public concerns continue over the health and safety risks related to alcohol consumption.

Business Technical Advisory Panel

Since BTAP presented its initial 24 liquor policy recommendations to government in April 2018, the LDB and its cross-government partners have consulted and engaged with BTAP and industry on implementing over half of the recommendations as well as emergency recommendations brought forward to support industry during the COVID-19 pandemic. In recognition of the changing operating environment, including an economic downturn and changing consumer preferences, government and BTAP completed a prioritization exercise in 2023 to identify and establish a new set of shared policy priorities for the liquor industry.

In January 2024, government confirmed the list of refreshed liquor policy priorities that will guide its work with BTAP moving forward. This includes a review of LDB's manufacturer sales agreements to ensure they are meeting their original policy objectives, which include promoting the use of B.C. agricultural inputs, supporting agri-tourism, encouraging the growth of small B.C. businesses, and fostering employment and economic activity. This also includes a liquor supply chain risk assessment, with a focus on building the LDB's resiliency in the face of unprecedented challenges.

Although not a BTAP recommendation, given the significance of the emerging climate challenges impacting both grape growers and wineries, the LDB is prioritizing additional work to assess requests from the wine industry and is continuing to work closely with its government partners on a collaborative response to support the industry.

Digital modernization

In 2023/24, the LDB began upgrading its network infrastructure across all stores and distribution centres. Additionally, the LDB commenced planning to identify projects that can contribute to its digital modernization efforts. This planning phase involved evaluating the scope of potential projects and determining resources required.

Cannabis industry

The LDB continued to support the development of a successful and sustainable legal cannabis industry, while prioritizing public health and safety and advancing reconciliation. The LDB's commitment to supporting Indigenous and local producers is exemplified by the BC Indigenous Cannabis Product program, which promotes greater visibility of Indigenous

cannabis producers and their products to retail customers, and the direct delivery program, which helps expand the reach of smaller-scale producers and cultivators into B.C.'s retail cannabis market. Since it began in August 2022, the direct delivery program has grown to include around 100 participating cultivators making over \$13 million in direct sales in fiscal 2023/24. Acknowledging there is room to grow, the LDB remains committed to a review of central distribution cannabis mark-up, as well as of the direct delivery program, including program eligibility and mark-up to ensure both are meeting their policy objectives.

In April 2023, the LDB made several changes for cannabis licensed producers (LPs) in response to industry requests, including eliminating the requirement for LPs to maintain mandatory insurance coverage for product recall expenses, reducing the reporting requirement for LPs participating in the direct delivery program from weekly to bi-weekly, and changing payment terms until further notice from 30 to 14 days to improve cash flow of LPs. As the cannabis industry continues to mature, its growth supports greater competitiveness in the marketplace. While the industry is seeing increased sales volume, there has been a continued decline in the price per gram, which supports the elimination of the illicit market.

Economic Statement

Following two years of strong recovery from the pandemic, economic growth in British Columbia moderated in 2023. After expanding by 3.9 per cent in 2022, B.C.'s real GDP increased by 1.6 per cent in 2023, the second highest growth rate among provinces (tied with Saskatchewan and Ontario) and outperforming the national average. Growth in B.C.'s real GDP was supported by service-producing industries such as real estate, rental and leasing; professional, scientific and technical services; transportation and warehousing; and healthcare and social assistance. Despite steady growth in the construction and mining, quarrying and oil and gas extraction sectors, output for goods-producing industries decreased in 2023, partly due to lower manufacturing activity. While B.C.'s economy continued to expand in 2023, some sectors such as transportation and warehousing and accommodation and food services have yet to fully return to pre-pandemic levels.

B.C.'s labour market continued to grow in 2023, with employment growth of 1.6 per cent and wages and salaries increasing by 6.9 per cent. However, B.C.'s unemployment rate rose to 5.2 per cent in 2023 from 4.6 per cent in the previous year as the labour force, supported by record high immigration, grew faster than employment. High interest rates tempered consumer spending on goods in 2023 and nominal retail sales edged down 0.1 per cent. In 2023, price pressures in B.C. moderated among a broad number of goods and services but remained elevated. B.C.'s inflation rate averaged 3.9 per cent in 2023, down from 6.9 per cent in 2022. B.C. home construction activity strengthened in 2023. Housing starts totalled 50,490 units in 2023, the highest annual pace on record and up 8.1 per cent compared to the previous year. High interest rates continued to weigh on home sales activity last year. B.C. MLS home sales decreased by 9.2 per cent in 2023, while the MLS average home sale price was 2.6 per cent lower than 2022. On the external front, B.C.'s international merchandise exports declined

by 13.5 per cent in 2023, due to weaker global demand and lower commodity prices compared to 2022.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

Goal 1: Sustain net returns to the Province of B.C.

Objective 1.1: Optimize LDB's financial performance

The success of the LDB's wholesale and retail lines of business are key to this objective.

Key results

- Fell slightly short of achieving 2023/24 net income target by \$2.1 million.
- Improved in-stock performance of liquor and cannabis products through effective management of inventory and strategic product assortment.
- Reduced cannabis inventory write-offs and markdowns by effectively managing slow moving and aging inventory.
- Upgraded technology systems and business processes related to wine and spirits importation in alignment with the Assessment and Revenue Management Project required by the Canada Border Services Agency (CBSA).
- Implemented a variety of efforts to enhance sales at BCL and BCCS, including effective flash sales, training for employees, and enhanced inventory management.
- Gained approval and kicked off BCL's website re-platform and refresh project to improve overall stability and efficiency and the customer experience online.

Summary of progress made in 2023/24

The LDB's net income for the year was \$1,148.2 million, slightly below the target by \$2.1 million (short by 0.2 per cent). Effective management of operating expenses allowed the LDB to only narrowly miss the targeted net return to the Province.

During fiscal year 2023/24, both the liquor and cannabis wholesale divisions improved their availability of stocked liquor and cannabis products. Notably, LDB's liquor wholesale division successfully converted 85 per cent of total sales volume, non-stocked wholesale product to stocked in its warehouses. This achievement, along with maintaining an in-stock target of 95 per cent, supports reduced lead times and improved product availability during high-demand periods for customers. Additionally, the cannabis wholesale division updated its product assortment by adding over 2,600 new products, achieving a 37 per cent increase in registered cannabis products compared to the previous year. These efforts improved the availability and

consistent supply of cannabis product assortment matchings for customers, and ultimately led to effective management of inventory costs.

Related to inventory management performance, in fiscal 2023/24, the cannabis wholesale division also minimized cannabis inventory write-offs and markdowns by closely monitoring and managing slow moving and aging product.

BCL improved the execution of flash sales by refining featured products, pricing, duration, and related marketing support. The flash sales delivered strong results as internal processes were improved and consumer awareness levels continued to grow. Additionally, BCL focused on inventory management practices to reduce shrinkage and maximize net income. Overall, inventory management practices were strengthened through the development of standardized operating procedures across various functions (e.g., receiving product deliveries, counting in-stock products). Service delivery was also improved through sales training and ongoing leadership coaching.

BCCS introduced an online cannabis knowledge training program for all employees. This aimed to provide staff with additional cannabis knowledge to better educate and serve customers. By the end of the fiscal year, 100 per cent of BCCS management staff and 75 per cent of regular and part-time staff had completed the training. BCCS increased its gross margin year over year and carefully monitored all controllable expenses (e.g., consistently reviewing staffing levels to support customer traffic and sales in stores).

The BCL website re-platform and refresh project kicked off in November 2023. The project team has now completed the modernized designs for a majority of key pages of the BCL website. This includes flexibility to add videos and different types of content. To date, a key milestone was achieved in the project with the successful migration of the platform which allows BCL to facilitate online pre-orders and draws for products on a new system. All of these updates will help enhance the online experience for BCL customers.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
1.1a Net income (in \$ millions) ^{1, 2}	\$1,198.3	\$1,150.3	\$1,148.2
1.1b Liquor distribution centres inventory turnover per year ^{3, 4, 5}	13.3	13.6	12.7
1.1c Cannabis distribution centre inventory turnover per year ^{5, 6, 7}	9.2	9.0	9.6
1.1d BCL sales per square foot ^{8, 9}	\$1,491	\$1,497	\$1,471
1.1e BCCS sales per square foot ^{10, 11}	\$841	\$800	\$965

¹Data source: BCL and BCCS sales data are collected from point-of-sale cash register systems and stored in head office databases. Sales made directly to customers by authorized representatives on behalf of the LDB are transmitted to the LDB and stored in databases. LDB financial statements are audited annually by an independent auditor contracted by the LDB under the oversight of the Office of the Auditor General. LDB expense data is captured, stored, and reported by the LDB's financial system.

²PM 1.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as \$1,170.4 and \$1,194.2, respectively, and revised in the latest service plan.

³Data source: Inventory data is collected from applications at LDB's liquor distribution centres in Delta and Kamloops designed for this purpose and stored in head office databases. Inventory turnover is calculated by dividing the duty paid cost of shipments from LDB's liquor distribution centres to customers (including BCL) by the average inventory in the same period.

⁴PM 1.1b targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 13.6 and 13.6, respectively, and revised in the latest service plan.

⁵PM 1.1b and 1.1c actuals were not reported in the 2022/23 annual report, as they were not established performance measures in the 2022/23 – 2024/25 service plan. For 2022/23 forecasts, please see the 2023/24 – 2025/26 service plan on the [BC Budget website](#).

⁶Data source: Inventory data is collected from applications at LDB's cannabis distribution centre designed for this purpose and stored in head office databases. Inventory turnover is calculated by dividing the duty paid cost of shipments from LDB's cannabis distribution centre to customers (including BCCS and BCCannabisStores.com) by the average inventory in the same period.

⁷PM 1.1c targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 9.0 and 9.0, respectively.

⁸Data source: BCL sales data is collected from point-of-sale cash register systems and stored in head office databases.

⁹PM 1.1d targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as \$1,512 and \$1,519, respectively, and revised in the latest service plan.

¹⁰Data source: BCCS sales data is collected from point-of-sale cash register systems and stored in head office databases. It is based on total square footage, not sales floor space.

¹¹PM 1.1e targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as \$800 and \$800, respectively. Its target for 2025/26 was revised in the latest service plan.

1.1a Net Income

Net income refers to the contribution made by the LDB to the Province through sales of beverage alcohol and non-medical cannabis. The LDB's contribution serves as a significant source of revenue for the provincial government. The LDB's net income for the year was \$1,148.2 million, below the target by \$2.1 million (0.2 per cent). Compared to the prior year, net income declined by \$50.1 million (4.2 per cent).

Fiscal year 2023/24 was marked with relatively tough economic conditions. Interest rate increases as well as high inflation put significant pressure on consumers' disposable income and prompted some decline in discretionary spending. This year's shortfall in net income was due to lower-than-planned liquor revenue which was partially offset by lower-than-targeted operating expenses, mostly due to increased employment vacancies, reduced amortization resulting from fewer BCCS openings, and reduced expenses in warehouses and consulting services. This decrease in both operating expenses and overall revenue allowed the LDB to maintain the operating expense ratio below the targeted level of 15.7 per cent.

1.1b and 1.1c Inventory Turnover

Liquor

The inventory turnover rate refers to the number of times inventory is shipped to wholesale customers (including BCL) and replaced within a fiscal year. The LDB's liquor distribution centres inventory turnover fell slightly short of target, achieving 12.7 turns compared to the target of 13.6. This variance can be attributed to changing market conditions influenced by inflation and shifts in consumer preferences towards lower-priced products. These factors directly impacted the turnover rate by affecting inventory demand and movement.

Despite falling short of target, the LDB's liquor wholesale division has strategically maintained an optimal on-hand inventory. This approach helps to mitigate supply chain disruptions and adapt to evolving market conditions. However, while this approach supports customer service and minimizes disruptions, it also affects the overall value of inventory, which is a factor in calculating the turnover rate.

Although the target was not met, proactive measures such as collaborating with suppliers to use data analysis for demand forecasting, optimizing product availability, and addressing slow-moving products are expected to reduce overstocking and enhance operational efficiency in the future.

Cannabis

For the wholesale cannabis distribution centre inventory turnover rate, cannabis operations achieved a rate of 9.6, exceeding last year's result of 9.2 and its target of 9.0. The inventory turnover rate serves as an indicator of how well the wholesale product assortment aligns with market demands. It measures the number of times inventory has been shipped to wholesale customers (including BCCS) and replaced within a fiscal year. Exceeding the target was possible through careful management of older inventory and consistent sourcing and assortment of products that were in high demand by cannabis retailers.

1.1d and 1.1e Sales per Square Foot

Liquor

BCL sales per square foot for 2023/24 were \$26 below the target of \$1,497. A number of factors may have contributed to this shortfall where BCL saw a decline in the number of customers and number of units sold in BCL this past fiscal. Overall sales were negatively impacted, especially in the beer and wine categories. BCL consumer behaviour may have been influenced by one or more of the following factors of inflation and declining disposable income, health-conscious lifestyle trends and lower alcohol consumption, and / or the growth of non-alcoholic beverage options.

Cannabis

BCCS achieved a sales per square foot of \$965, surpassing its target of \$800. This achievement can be attributed to several factors, including the strategic addition of two new store locations—one in Delta and another in North Vancouver. Additionally, there was sales growth in key markets and consistent financial performance of existing store locations.

Goal 2: Improve customer experience with the LDB

Objective 2.1: Improve retail and wholesale customer satisfaction

Delivering a high standard of service and maintaining customer satisfaction are critical priorities for the LDB.

Key results

- Enhanced customer service for cannabis wholesale through operational efficiencies and order quality control measures and for liquor wholesale through replacement of legacy systems.
- Continued to implement the BCL multi-year brand modernization strategy by developing and launching new brand guidelines and completing additional store renovations.
- Built on the LDB's customer-centric culture by strengthening employee training programs and leveraging market research to gain customer insights and meet customer needs.

Summary of progress made in 2023/24

In fiscal 2023/24, the cannabis wholesale division implemented several operational and order quality control measures to enhance customer service. For instance, the cannabis distribution centre was reorganized to create additional staging areas for quality control functions. This helped establish a dedicated area for quality control processes which enhanced order accuracy. Furthermore, the cannabis wholesale division implemented other initiatives to improve on-time delivery and order accuracy for customers such as conducting regular reviews of scorecards with carriers and refining inventory rotation logic at the cannabis distribution centre.

At the Liquor Wholesale Customer Centre (WCC), a legacy call centre management system was replaced with a new system to improve service and quality of customer interactions. The new system excels in trend analysis and helps balance the workload of customer centre representatives. It also ensures efficient and quality handling of customer calls and emails. The WCC achieved an 85 per cent call answering rate within 20 seconds during regular business periods. Furthermore, WCC achieved and maintained a target of 90 per cent call quality.

BCL continued its multi-year brand modernization strategy by developing and launching new brand guidelines to be utilized across internal BCL departments and shared with current marketing vendors. This is to ensure the omnichannel brand and customer experience are consistent between in-store, web, digital and advertising touchpoints. BCL also continued to renovate and upgrade stores to align with its modernization strategy and enhance the customer shopping experience. In addition, the number of associates with formal product knowledge certification continued to increase as a result of an enhanced registration process and campaigns to promote the learning programs. Furthermore, BCL launched new portable devices for associates to use on the sales floor. These devices streamline service delivery by providing associates with the information they need to help customers locate their products of choice without having to leave the sales floor.

In support of the LDB's customer centric culture, cannabis operations implemented several initiatives to improve the retail customer experience. This included introducing an online cannabis knowledge training program for all BCCS employees. Additionally, in August 2023, BCCS completed a detailed market research survey of 1,200 B.C. adult cannabis users. This

comprehensive external market research was conducted to gain customer insights and refine customer service strategies.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
2.1a Liquor Wholesale on-time delivery ^{1, 2, 3}	87.1%	95.0%	96.5%
2.1b Cannabis Wholesale on-time delivery ^{3, 4, 5}	96.7%	98.0%	97.8%
2.1c Liquor Wholesale accurate delivery ^{3, 6, 7}	99.6%	98.8%	99.6%
2.1d Cannabis Wholesale accurate delivery ^{3, 8, 9}	95.1%	95.0%	95.1%
2.1e BCL retail customer satisfaction ^{10, 11, 12}	In-store survey: 86.0%	n/a	Online survey: 74.7%

¹Data source: Delivery data is collected by LDB's own fleet of freight vehicles and third-party freight carriers and audited against bill of lading documents signed by the customer, confirming arrival times for accuracy of data.

²PM 2.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 95.0% and 95.0%, respectively.

³PM 2.1a, 2.1b, 2.1c, and 2.1d actuals were not reported in the 2022/23 annual report, as they were not established performance measures in the 2022/23 – 2024/25 service plan. For 2022/23 forecasts, please see the 2023/24 – 2025/26 service plan on the [BC Budget website](#).

⁴Data source: Delivery data is collected by third-party freight carriers through their Proof of Delivery systems and audited against customers' reports of late deliveries.

⁵PM 2.1b targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 98.5% and 99.0%, respectively.

⁶Data source: Based on an audit of four per cent of orders and shipments processed by the LDB's liquor distribution centres.

⁷PM 2.1c targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 98.8% and 98.8%, respectively.

⁸Data source: Based on an audit of all orders and shipments processed by LDB's cannabis distribution centre.

⁹PM 2.1d targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 96.0% and 97.0% respectively.

¹⁰Data source: The LDB contracts a professional, third-party company to conduct market research. Data from insights shared by an online panel are shared with the BCL via a dashboard that includes high-level graphs.

¹¹PM 2.1e targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 87.0% and n/a, respectively, and revised in the latest service plan.

¹²PM 2.1e target for 2023/24 is yet to be established. In 2023/24, per previous discussion notes in the 2023/24 – 2025/26 service plan, BCL changed its customer surveying methodology from in-store to online to align with current best practices. For fiscal 2022/23, to bridge the transition, both an in-store survey (86.0% result) and an online intercept (72% result) were completed. As expected, the change in methodology will change results for future years.

2.1a and 2.1b Wholesale On-Time Delivery

Liquor

Despite external challenges faced in fiscal 2023/24, the liquor wholesale division exceeded its on-time delivery target by 1.5 per cent to achieve a performance of 96.5 per cent. To improve service reliability and minimize disruptions, the liquor distribution centres introduced secondary freight carriers to augment the service of primary, contracted freight carriers.

Labour actions taken by bargaining groups representing federal public servants and B.C.'s port workers temporarily affected import clearances. This required the LDB to take proactive measures by monitoring the situations in April and July and working closely with the CBSA, third-party warehouses, and freight forwarders to assess risks and communicate any potential delays in import clearances and product delivery to customers. During the B.C. wildfire season, several communities and regions across the province were affected, disrupting transportation routes and distribution to some of the LDB's customers. The liquor wholesale division collaborated with freight carriers to maintain the highest level of service possible. Additionally, proactive steps were taken to inform and communicate with customers to anticipate temporary delivery delays in certain areas.

Cannabis

In fiscal year 2023/24, the cannabis wholesale division achieved a 97.8 per cent on-time delivery rate, slightly below its target of 98.0 per cent. Throughout the fiscal year, the division implemented several initiatives to improve its on-time delivery rate. For example, in April 2023, the cannabis distribution centre developed and implemented scorecards containing key metrics to monitor carrier performance in delivering cannabis orders. These scorecards are reviewed with carriers on a monthly basis with the aim of improving on-time delivery for customers and, consequently, increasing customer service.

In addition to scorecard reviews, the division implemented other initiatives to improve its on-time delivery rate. For instance, during 2023/24, the cannabis distribution centre redesigned its order shipping area staging plan to expedite truck loading and enable faster departure times for carriers. Furthermore, the cannabis distribution centre performed weekly analysis on route conditions and worked with carriers' dispatch teams to adjust routes to improve on-time order delivery. The combined efforts noted above led to an improvement in the on-time delivery rate, increasing from 95.6 per cent in the first quarter of the fiscal year 2023/24 to 97.8 per cent at the end of the fiscal year. It is important to note that the on-time delivery rate for cannabis wholesale in the fourth quarter of 2023/24 reached 98.7 per cent, exceeding the 98.0 per cent target.

2.1c and 2.1d Wholesale Accurate Delivery

Liquor

The liquor wholesale division exceeded its accurate delivery target by 0.4 per cent to achieve a performance of 99.6 per cent. Data and insights collected from its internal audit of orders and shipments were leveraged in the coaching of employees to support greater delivery accuracy across different stages of order picking, assembly, and shipping. These efforts resulted in improved operational efficiency.

Cannabis

In terms of wholesale accurate delivery, the cannabis wholesale division exceeded its target of 95.0 per cent. To achieve this, during 2023/24, the cannabis distribution centre updated its inventory rotation logic to improve product accuracy and prioritize the shipment of cannabis orders based on packaging dates.

2.1e BCL Retail Customer Satisfaction

BCL continues to strive to improve the customer experience not only in-store but across all channels by creating a consistent, omnichannel brand and customer experience for each BCL touchpoint. As a result, BCL exceeded its internally established customer satisfaction goal of 73.0 per cent in 2023/24, ending the fiscal year at 74.7 per cent. This result can also be attributed to available product selection and improvements in customer perceptions of staff attentiveness. Additionally, BCL continues to respond to consumer requests and questions through its Facebook and Instagram channels as another medium for customer support.

Goal 3: Create positive social impact

Objective 3.1: Minimize the impact of LDB operations on the environment

Aligned with the CleanBC Roadmap to 2030 and government's legislated target to reduce greenhouse gas emissions by 40.0 per cent below 2007 levels by 2030, the LDB is taking solid steps to move towards net zero emissions from its fleet and buildings and eliminate waste and single-use plastics from entering the landfill.

Key results

- Implemented practices and initiatives to successfully reduce waste at all LDB worksites by a total of 326 metric tonnes compared to fiscal 2022/23.
- Expanded the number of zero emission vehicles (ZEVs) in LDB's light duty fleet vehicles by adding two for a total of six ZEVs.
- Held educational events and workshops for employees promoting Earth Day, Go-By-Bike Week, Waste Reduction Week and the LDB's corporate beehives.
- Expanded annual reporting in support of [B.C.'s Carbon Neutral Government Program](#) by including electricity used to charge LDB's zero emission fleet vehicles.

Summary of progress made in 2023/24

In 2023/24, the LDB made strides towards minimizing the impact of its operations on the environment by decreasing waste generated, expanding the number of ZEVs, holding educational events for employees, and expanding reporting.

The LDB reduced its waste output by 326 metric tonnes in 2023/24, going from 3,384 metric tonnes in 2022/23 to 3,058 metric tonnes this fiscal year. A number of contributing factors

helped the LDB reach this achievement, including the adoption of more sustainable methods at worksite renovations (e.g., increased recycling, reusing materials) and a reduction in the use of non-recyclable materials within its operations. For example, in fiscal 2023/24, the packaging used to ship orders to customers of the BCCS e-commerce retail channel were changed to fully-recyclable.

In 2023/24, the LDB furthered its shift towards incorporating ZEVs into its light duty vehicle fleet of sport utility vehicles and passenger vehicles. A total of two ZEVs were added for a total of six out of 27 light duty vehicles, accounting for 22 per cent of its light duty vehicle fleet.

Led by the LDB's Social Impact department, employees across the LDB had the opportunity to participate in a variety of educational events throughout the year. For example, employees were invited to attend an educational showcase coinciding with Earth Day to learn how to reduce their reliance on single use plastics. In addition to this, throughout the year events and workshops were held to build employee awareness around waste reduction, Go-By-Bike Week, and the importance of pollinators.

Since 2010, the LDB has been measuring its greenhouse gas emissions and purchasing BC-based carbon offsets in order to become carbon neutral on an annual basis. During 2023/24, in alignment with CleanBC requirements, the LDB expanded reporting to include electrical kilowatt-hours used to charge the zero-emission fleet. Tracking the electricity used to charge a growing fleet of electric vehicles will allow the LDB to explore charging station sizes, peak power demand, and energy utilization factors during changing seasons.

Objective 3.2: Encourage the responsible use of beverage alcohol and non-medical cannabis

The LDB will continue to support government's mandate of prioritizing public health and safety and promoting responsible consumption and awareness of the risks associated with consuming liquor and cannabis.

Key results

- Updated employee training around enforcement of ID-checking requirements in BCL and BCCS to prevent sales to minors or intoxicated persons.
- Promoted social responsibility and responsible consumption through campaigns within BCL and BCCS and outside of stores.

Summary of progress made in 2023/24

In 2023/24, both BCL and BCCS made continued efforts to update employee training to support the consistent enforcement of ID-checking requirements. In addition to providing a revised two-ID training program for employees, BCCS reminded employees at the start of shifts, and through weekly newsletters, the importance of checking two pieces of ID for anyone that looks under the age of 30. At BCL, the two-ID training for employees was also refreshed and in-store campaigns continued to elevate focus and awareness on the importance of these identification checking requirements.

Both BCL and BCCS reinforced social responsibility and responsible consumption in 2023/24 through education campaigns. For example, BCCS implemented its [Don't Drive High Campaign](#) in the winter of 2023 across many restaurants and bars in the province. This included sharing campaign messaging on both digital advertising boards and printed posters at restaurants and bars throughout cities in B.C. Campaign materials were also displayed within BCCS throughout the province. BCL shared its social responsibility marketing campaigns in-store and online to educate customers about various important topics throughout the year including fetal alcohol spectrum disorder, drinking and driving, and responsible alcohol consumption. Additionally, BCL started the journey of updating their social responsibility campaigns in-store and online throughout the year to match with the modernized brand. BCL also continued to follow Canada's latest [guidance on alcohol](#) and health from the Canadian Centre on Substance Use and Addiction, revising marketing materials to reflect the changes, as needed.

Objective 3.3: Increase positive social impact

The LDB already delivers a number of social impact activities across the organization. Going forward, the LDB will build on these existing activities to further affect change from a social, environmental, and economic standpoint and to benefit all people living in B.C.

Key results

- Developed an Indigenous Learning Journey Framework to guide and support the continued roll out of Indigenous learning to all employees across the organization.
- Supported five in-store charitable campaigns at BCCS and BCL to increase awareness and raise over \$2.1 million for community partners and charitable organizations.
- Launched a new department of Reconciliation, Equity, Diversity and Inclusion (REDI) within the HR division to set the foundation for developing a multi-year diversity and inclusion strategy, roadmap, and related programs and initiatives.

Summary of progress made in 2023/24

In fiscal year 2023/24, the LDB partnered with Called to Action Collaborative, an Elder-led Indigenous collaborative network, to develop an Indigenous Learning Journey Framework. This framework aims to guide and support the continued roll out of Indigenous learning to all employees across the LDB. The framework was developed based on the findings of an organization-wide learning needs assessment, which included interviews with key leaders and a survey of select team members within specific departments within the LDB. The framework includes program outlines covering a variety of learning formats, including self-led online delivery, podcast style interviews, group discussions, as well as multi-day workshops led by Indigenous facilitators. Additionally, in partnership with Called to Action Collaborative, the LDB organized an in-person Elder-led workshop with the LDB's executive team and members of the LDB's Indigenous Learning Journey team. The purpose of the in-person workshop was to celebrate the last two years of the LDB's Indigenous Learning Journey, the work and partnership between the LDB and Called to Action Collaborative, as well as to set the stage for

the next phases as the LDB begins implementing the Indigenous Learning Journey across the organization.

In 2023/24, the REDI department was established with the appointment of a director to lead this new area of responsibility. Work has started on developing plans to ensure that the LDB is in alignment with core government commitments and legislation such as its Declaration on the Rights of Indigenous Peoples Act, The Truth and Reconciliation Commission Calls to Action, and the Public Service Agency's Where We All Belong: Equity, Diversity & Inclusion Strategy. Initial steps have been taken to develop LDB-specific strategies which will seek to drive meaningful reconciliation, an increasingly diverse workforce, improved inclusion in the workplace, and the reduction of barriers to accessibility. Some examples of these steps include the development of a department structure and resourcing (e.g., advisor level positions) to support the development and implementation of new initiatives, policies, and programs. Work has been done to raise awareness of the new department across the organization and positioning the department as a centre for excellence in Reconciliation and Equity, Diversity, and Inclusion and a strategic partner to teams and employees. Additionally, work has also started on the development of a strategic planning process including, executive visioning, stakeholder engagement, creation of an Equity, Diversity & Inclusion (EDI) committee, the development of key performance indicators, and an assessment of the current state (e.g., an EDI audit, benchmarking, and employee survey).

The LDB's network of BCL and BCCS continued to support in-store charitable campaigns to raise funds and awareness for community partners and charitable organizations. In total, over \$2.1 million in donations were raised across five separate charitable campaigns. In 2023/24, over \$1.16 million was raised through two campaigns (i.e., spring and winter) for Food Banks BC in support of local food banks across the province. Additionally, the LDB was selected as the recipient of the 2024 Food Banks BC Spirit of Giving Award in the category of Community Partner. Stores also raised \$605,724 for the Canadian Red Cross British Columbia Fires Appeal to support immediate and ongoing relief efforts for communities in B.C. impacted by the 2023 summer wildfires. In addition, the LDB's Do You Proud campaign ran for its second year in support of the 2SLGBTQIA+ community, celebrating the stories of the people who make up the LDB community across our various workplaces. In addition to raising awareness, BCL and BCCS raised \$64,525 to support QMUNITY, B.C.'s 2SLGBTQIA+ resource centre. A total of \$273,324 was also raised at BCL to support Dry Grad, which helps fund supervised alcohol and drug free celebrations for graduating high school students across B.C.

In 2023/24, the LDB made strides in developing a strategy that unifies the organization's social and environmental initiatives which aim to provide positive benefits to employees, Indigenous partners, stakeholders, and customers. The strategy is guided by four pillars: people, communities, the environment, and partners. It will help ensure that all programs and activities executed under this strategy will align with one or more of these pillars.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
3.1a Waste diversion rate ^{1, 2, 3}	88.1%	89.0%	86.3%
3.2a BCL and BCCS store compliance with ID-checking requirements ^{4, 5, 6}	98.0%	100.0%	94.1%

¹Data source: Diversion rates are determined based on measured weights reported by contracted waste and recycling service providers.

²PM 3.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 90.0% and 91.0%, respectively.

³Waste diversion was stated in the 2022/23 annual report as three performance measures representing liquor operations (the LDB’s liquor distribution centres in Delta and Kamloops, and BCL), cannabis operations (the LDB’s cannabis distribution centre and BCCS), and head office and Burnaby dry goods distribution centre operations. 2022/23 actuals were 88%, 84%, and 89%, respectively. For the 2022/23 forecast, please see the 2023/24 – 2025/26 service plan on the [BC Budget website](#).

⁴Data source: The Liquor and Cannabis Regulation Branch (LCRB) administers an ID-checking compliance program and provides the results of BCL and BCCS compliance to the LDB.

⁵PM 3.2a targets for 2024/25 and 2025/26 were stated in the 2023/24 – 2025/26 service plan as 100.0% and 100.0%, respectively.

⁶PM 3.2a actual for 2022/23 is the result from LCRB’s administration of its ID-checking compliance program at BCL only. At the time, LCRB’s ID-checking compliance program was not administered in cannabis stores.

3.1a Waste Diversion Rate

In 2023/24, the LDB continued its waste collection and processing of recyclables at worksites supported by contracted waste and recycling service providers. Materials collected and diverted from landfill include cardboard, wood, mixed containers, organics, paper, electronics, Styrofoam, metal, and clear soft plastics (e.g., shrink wrap).

The LDB’s waste diversion rate performance measure captures all LDB worksites (i.e., distribution centres, BCL, BCCS, and head office). In 2023/24, the diversion rate fell short of the 89 per cent target by 2.7 per cent for an actual of 86.3 per cent. The target was established by factoring in planned enhancements for the paper recycling program. However, due to team and staffing changes, the deployment of this work was paused. Work has started to implement additional recycling initiatives and employee education across all LDB worksites. It should be noted that liquor and cannabis distribution warehouses achieved waste diversion rates of 97 per cent and 92 per cent, respectively. This success can be attributed to effective in-person employee education and the implementation of recycling and waste collection recommendations from a waste audit completed in 2022/23.

3.2a BCL and BCCS store compliance with ID-checking requirements

Under the Minors as Agents Program, the LCRB has the authority to issue a contravention notice when an establishment being inspected for ID-checking does not take reasonable steps to verify the age of the minor employed by the LCRB to purchase liquor and cannabis. Throughout 2023/24, the LCRB performed 64 and 21 ID-compliance checks across BCL and BCCS stores, respectively. BCL and BCCS together reached 94 per cent store compliance with ID-checking requirements, which was short of the target of 100 per cent. To improve on the result, BCCS developed a revised two-ID training program, which has now become an

annualized training requirement for all BCCS staff. Also to improve results, BCL launched a refreshed online two-ID training which all associates completed.

Financial Report

For the auditor's report and audited financial statements, see [Appendix D](#). These documents can also be found on the [LDB website](#).

Discussion of Results

In fiscal 2023/24, the LDB's net income and contribution to the Government of B.C. amounted to \$1,148.2 million. This represented a decrease of \$50.1 million or 4.2 per cent compared to the previous year.

Although inflation slowed down from the prior year, some liquor product categories still experienced higher-than-historical increases in the average price per litre. However, these price increases did not offset the significant drop in liquor sales volumes caused by a decline in consumption.

Regarding cannabis operations, the LDB continued to expand the BCCS chain, opening two new stores in the Lower Mainland during the fiscal year. By the end of fiscal 2023/24, the BCCS chain had exceeded \$370 million in sales since the start of legalization in October 2018. In August 2022, the LDB implemented a [cannabis direct delivery program](#) to facilitate the participation of Indigenous and small-scale producers in the legal cannabis market. The net income of LDB Cannabis Operations, before head office expense allocations, amounted to \$49.8 million. Both head office expenses and net income related to cannabis operations are included in the total LDB net income of \$1,148.2 million.

Capital

Global supply chain and labour challenges had an impact on the LDB's capital expenditures. For fiscal 2023/24, the total capital expenditures were \$18.3 million, which were \$10.0 million lower than planned but \$2.2 million higher than the previous year.

The spending of \$10.2 million included laptops and tools for connectivity, furniture, fixtures, and mobile equipment. Investments in retail stores continued with \$8.1 million spent on tenant improvements and the establishment of the last two new BCCS locations.

Financial Summary

(\$millions)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
Revenues				
Revenue	3,873.6	4,033.8	3,939.5	(94.3)
Cost of Sales	2,163.4	2,264.2	2,237.0	(27.2)
Gross Margin	1,710.2	1,769.6	1,702.5	(67.1)
Expenses				
Operating Expenses – Employment	316.5	369.1	350.8	(18.3)
Operating Expenses – Amortization	73.9	72.6	67.5	(5.1)
Operating Expenses – Administration	60.3	107.3	68.6	(38.7)
Operating Expenses – Bank Charges	41.4	45.6	41.8	(3.8)
Operating Expenses – Facilities ¹	30.8	32.9	33.5	0.6
Operating Expenses – Lease Financing	6.9	6.8	6.8	-
Total Expenses	529.8	634.3	569.0	(65.3)
Other Income	17.9	15.0	14.7	(0.4)
Net Income	1,198.3	1,150.3	1,148.2	(2.1)
Gross Profit (%)	44.2%	43.9%	43.2%	(0.7%)
Total Expenses to Revenue (%)	13.7%	15.7%	14.4%	(1.3%)
Net Income to Revenue (%)	30.9%	28.5%	29.1%	0.6%
Capital	16.1	28.3	18.3	(10.0)
Debt²	242.4	253.8	233.0	(20.8)
Retained Earnings	-	-	-	-

The above financial information was prepared based on International Financial Reporting Standards.

¹ Facilities costs consist of common area maintenance, property taxes, utilities, repairs and maintenance.

² The LDB does not have any loans. Debt consists of lease liabilities as of March 31.

Variance and Trend Analysis

British Columbia beverage alcohol and cannabis marketplace

The LDB operates in a mixed private/public retail model where consumers can purchase products from many different places. As of March 31, 2024, there were 2,003 locations where beverage alcohol could be purchased and 523 locations selling non-medical cannabis.

Beverage alcohol sales in the province saw a volume decrease of 4.6 per cent compared to the previous year. In terms of sales volumes, the beer category still holds the highest position, followed by refreshment beverages, wine, and spirits. All categories experienced a volume decline in comparison to the prior year. These shifts can be attributed to various factors, including product availability (supply chain disruptions), changes in consumer preferences (with a growing interest in refreshment beverages and tendencies toward a healthy lifestyle), weather patterns (as hotter or colder weather affects beer and refreshment beverage sales), and consumer confidence due to the ongoing economic downturn, influencing the demand for value-priced products. Sales through BCL stores and LDB wholesale operations account for 56.6 per cent of litres sold in the province.

Provincial cannabis sales reached 135,348-kilogram equivalent, reflecting a significant increase of 27.1 per cent compared to the previous year. This growth indicates the continued expansion of the cannabis industry. Sales through BCCS stores, LDB e-commerce and wholesale operations account for 97.8 per cent of cannabis gram equivalent sold in the province, with the remainder of the volumes distributed through direct delivery channels.

As sales shift between product categories with different mark-up rates and between LDB wholesale and retail channels, it impacts the LDB's gross margin and its contribution to government.

Table 1: Provincial Sales by Major Category in Litres (000s)/Gram Equivalent (000s)

For the five fiscal years ended March 31, 2024

	2019/20	2020/21	2021/22	2022/23	2023/24	Change vs. Previous Year (2023/24 vs. 2022/23)	
						Change	%
Liquor							
Spirits	28,411	29,835	30,427	30,955	29,299	(1,656)	(5.3)
Wine	78,525	79,758	77,345	73,194	68,747	(4,447)	(6.1)
Refreshment	65,860	85,170	88,764	85,116	84,105	(1,011)	(1.2)
Beer	284,224	270,542	269,811	267,083	252,955	(14,128)	(5.3)
Other	276	368	495	482	708	226	46.9

BC Liquor Distribution Branch

	2019/20	2020/21	2021/22	2022/23	2023/24	Change vs. Previous Year (2023/24 vs. 2022/23)	
						Change	%
Total Liquor (litres)	457,296	465,673	466,842	456,830	435,814	(21,016)	(4.6)
Cannabis							
Flower	12,692	33,706	44,821	46,044	54,181	8,137	17.7
Pre-roll	2,353	8,066	15,459	19,772	24,756	4,984	25.2
Extracts & Concentrates ¹	2,066	5,405	11,623	26,994	45,487	18,493	68.5
Other ¹	495	6,794	12,409	13,667	10,924	(2,743)	(20.1)
Total Cannabis (gram equivalent)	17,606	53,971	84,312	106,477	135,348	28,871	27.1

Data Source: LDB Oracle Financial System.

¹ Gram equivalents have been restated to correct for conversion rates on liquid cannabis products.

LDB Revenue¹

In fiscal year 2023/24, the LDB revenue amounted to \$3,939.5 million, representing an increase from previous year of \$65.9 million (1.7 per cent). The increase was driven by strong growth in cannabis sales, which partially offset lower liquor revenue.

Beverage alcohol

The LDB's beverage alcohol revenue was \$3,364.9 million in fiscal 2023/24, showing a drop of \$23.1 million (0.7 per cent) compared to the prior year. The decline was due to lower litre volumes across all product categories.

The LDB's sales channels include sales through BCL stores, LDB wholesale operations, and direct delivery from B.C. manufacturers and third-party warehouses. Retail sales through BCL remain the largest sales channel and represent 46.4 per cent of total LDB sales. BCL's share of sales was flat compared to the prior year.

During 2023/24, the customer count at BCL decreased by 0.4 per cent, from 34.9 million customers in the prior year to 34.8 million. This decline can be attributed to decreased consumption. The average retail customer transaction value at BCL also decreased 0.3 per cent, from \$45.44 to \$45.29. See [Appendix C](#) for information on BCL operating results before head office expenses.

¹ Revenue includes sales from LDB channels and a blend of sales/margin from non-LDB channels.

Cannabis

The LDB's cannabis revenue reached \$574.5 million in fiscal year 2023/24, representing an increase of \$89.0 million (18.3 per cent) compared to the prior year. This growth was attributed to the opening of new retail stores and an expanded product selection. Dried flowers, pre-rolls, and extracts and concentrates accounted for 91.8 per cent of all cannabis revenue. Notably, the extracts and concentrates category experienced the highest increase of \$57.4 million (36.3 per cent) compared to the prior year, possibly indicating continuing shifting consumer preferences.

In fiscal year 2023/24, there were 2.8 million transactions through BCCS and e-commerce sales, marking a 34.2 per cent increase compared to the 2.1 million transactions in the prior year. The average retail transaction value in fiscal year 2023/24 was \$45.42, a decrease of 5.6 per cent compared to the average transaction value of \$48.11 in the prior year. This decrease can be attributed to increased competition and reflects the industry-wide declining price per gram. The LDB remains focused on being competitive with the illicit market and encouraging purchases from the legal market.

Operating Expenses

The LDB maintains diligent expense management by monitoring its discretionary and staffing expenses across all operational areas.

Total operating expenses, including finance costs, amounted to \$569.0 million in fiscal year 2023/24. This figure was \$65.3 million lower than budget but \$39.2 million higher than expenses incurred in fiscal year 2022/23. The expense rate for 2023/24 stood at 14.4 per cent of revenue, higher than the 13.7 per cent rate of the prior year.

The majority of the LDB's operating expenses consist of labour, amortization, bank charges, and other administrative costs. The \$39.2 million increase in expenses compared to fiscal year 2022/23 was primarily driven by higher employment costs. Employment expenses increased by \$34.3 million from the prior year, mainly due to wage rate increases as per the collective agreement. However, employment costs were \$18.3 million (5.0 per cent) below the planned amount mostly due to unfilled vacancies.

Amortization expenses decreased by \$6.4 million from the prior year, resulting from assets that became fully amortized during the prior and current fiscal years.

Administrative costs were \$2.9 million higher than the prior year but \$41.7 million below budget. The increase was largely driven by higher merchandising and data processing costs, accounting for most of the difference compared to the previous year. The lower spending compared to the budget was mainly due to a decrease in professional fees by \$26.3 million.

Remittances to Government Agencies

During fiscal year 2023/24, the LDB paid \$1,603.5 million to various government agencies.

Table 2: Remittances to Government Agencies (\$000s)

	2019/20	2020/21	2021/22	2022/23	2023/24
FEDERAL GOVERNMENT					
Custom Duties and Excise Tax	177,374	200,462	196,627	199,814	195,637
GST	80,137	85,336	88,641	88,313	89,226
Total	257,511	285,798	285,268	288,127	284,863
PROVINCIAL GOVERNMENT					
LDB Net Income	1,107,170	1,160,916	1,189,309	1,198,299	1,148,153
Provincial Sales Tax	151,302	171,702	172,212	167,008	168,638
Liquor Control and Licensing	428	426	429	480	429
Total	1,258,900	1,333,044	1,361,950	1,365,787	1,317,220
MUNICIPAL GOVERNMENT					
Property Taxes	998	770	1,499	1,471	1,347
Business Licenses	60	69	108	90	95
Total	1,058	839	1,607	1,561	1,442
Total Remittances	1,517,469	1,619,681	1,648,825	1,655,475	1,603,525

Risks and Uncertainties

The LDB proactively monitors the evolving landscape of cannabis and liquor, including broader government policy changes, market dynamics, and associated risks.

There is significant uncertainty surrounding the economic forecasts. Key factors influencing the LDB include consumer behaviour, especially as concerns regarding inflation and potential economic slowdown persist. According to Statistics Canada, in March 2024, the Canadian Consumer Price Index increased by 3.3 per cent year over year, which marked the smallest increase in the past three years. As consumers become more price-conscious, they are likely to prioritize products that offer value for money. Additionally, supply chain disruptions and labour shortages may impact the LDB's ability to ensure timely product delivery.

There are other risks beyond the LDB's control, such as climate change, global supply-chain challenges, and future pandemics. These risks undergo regular review, and steps are taken to mitigate their impact. Consideration is also given to emerging factors such as shifts in consumer consumption patterns to low- or non-alcoholic substitutes or lower consumption overall that are potentially influenced by guidelines from the Canadian Centre on Substance Use and Addiction.

The LDB has established an Enterprise Risk Management (ERM) framework that adheres to internationally recognized standards and aligns with Provincial ERM requirements. Risk mitigations are reviewed on a quarterly basis and action is taken where needed. The LDB is committed to integrating risk management practices into its organizational processes, continually expanding its risk management capabilities.

Appendix A: Minister's Letter of Direction



VIA EMAIL

Ref: 655915

August 18, 2023

R. Blain Lawson
General Manager and Chief Executive Officer
BC Liquor Distribution Branch
Ministry of Public Safety and Solicitor General
3383 Gilmore Way
Burnaby BC V5G 4S1

Dear Blain Lawson:

I would like to extend my thanks to you and your executive leadership team for your dedication, expertise, and service to the people of British Columbia.

This letter, which I am sending in my capacity as Minister responsible for the BC Liquor Distribution Branch (LDB), sets out overarching principles relevant to the public sector and specific direction on priorities and expectations for the LDB for the remainder of Government's term.

Government must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity. In doing so, you will continue working towards lasting and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure the LDB implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50 per cent reduction in public sector building emissions and a 40 per cent reduction in public sector fleet emissions by 2030. As a branch of government, the LDB is expected to report out on these plans and activities.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical

.../2

responsibility to tackle systemic discrimination in all its forms – and every branch of government has a role in this work. The adoption of the Gender-Based Analysis Plus (GBA+) lens is required to ensure gender equity is reflected in your operations and programs.

British Columbians expect that government operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The LDB must also demonstrate continued diligence and education to maintain an effective fraud risk management strategy, including, for example, strategies for minimizing large cash transactions.

In addition to continuing to make progress on your 2021 mandate letter, and working with the Crown Agencies Secretariat in the Ministry of Finance, I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following continuing priorities within your approved net income targets:

- Strengthening the LDB's focus on corporate social impact/responsibility through initiatives that align with government's social and environmental priorities;
- Continuing commitment to improve organizational effectiveness and management practices by building on existing strengths to enhance a productive work culture and bolster overall performance; and,
- Working with other government partners to refresh and refocus the LDB's work with the Business Technical Advisory Panel on areas that are mutually beneficial and straightforward to advance.

I look forward to continuing to work with you to meet the high standards set for us by all British Columbians.

Sincerely,



Mike Farnworth
Minister of Public Safety and Solicitor General
and Deputy Premier

pc: Mary Sue Maloughney
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Kim Horn
Executive Lead, Crown Agencies Secretariat
Ministry of Finance

Appendix B: Progress on Letters of Priorities

The following is a summary of progress made on priorities as stated in the [2021/22 Mandate Letter](#) from the Minister Responsible and the most recent Minister’s Letter of Direction (see [Appendix A](#)).

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Continue to work with government and the Business Technical Advisory Panel (BTAP) members to evaluate and implement permanent and temporary policy and regulatory changes to support sectors impacted by the COVID-19 pandemic.</p>	<ul style="list-style-type: none"> • In response to the COVID-19 pandemic and in consultation with BTAP, government introduced a number of both temporary and permanent policy reforms. As previously reported, the LDB provided a range of support to the liquor manufacturing and hospitality industries, including wholesale pricing of liquor products for hospitality customers and temporary authorization of liquor manufacturers in B.C. to produce, sell and donate hand sanitizer. • While there have been no further requests from industry in response to the COVID-19 pandemic, recent cold snaps in December 2022 and January 2024 resulted in grape shortages for the B.C. wine industry. In response, during the 2023/24 fiscal year, the LDB allowed Land Based Wineries (LBW) to temporarily convert to commercial winery status to source non-BC grapes and produce a 2023 vintage, and on a case-by-case basis allowed temporary exemptions to LBW concerned about meeting the criterion that 25 per cent of their manufacturing inputs must come from their owned or leased land.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Continue to identify and deliver greater benefits to consumers and industry by implementing the approved recommendations from the BTAP report received by government on April 30, 2018, and by finding efficiencies at LDB liquor distribution centres.</p>	<ul style="list-style-type: none"> • Since BTAP presented its initial 24 liquor policy recommendations to government in April 2018, the LDB and its cross-government partners have completed over half of the recommendations as well as emergency recommendations brought forward to support industry during the COVID-19 pandemic. • In April 2023, in response to a changing liquor landscape and evolving industry priorities, government closed off the 2018 report and worked with BTAP members to establish a new set of shared policy priorities for the liquor industry moving forward. • In January 2024, government confirmed the list of new policy priorities with BTAP, including cross ministry initiatives such as, sharing hospitality concerns raised in BTAP discussions across government, and supporting information sharing and collaboration with industry and public health. • Work is underway on most of the refreshed BTAP priorities; for the LDB this includes undertaking comprehensive stakeholder engagement as part of the review of LDB’s manufacturer sales agreements, modernizing LDB’s technology systems and working with the Ministry of Agriculture and Food to explore possible amendments to the Wines of Marked Quality Regulation of B.C.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Continue to establish LDB Cannabis Operations' wholesale and retail lines of business and support government's key priorities of protecting public health and safety, promoting social responsibility and eliminating the illicit market.</p>	<ul style="list-style-type: none"> • In April 2023, the LDB eliminated the requirement for licensed producers to maintain insurance coverage for product recall expenses and changed payment terms from 30 to 14 days to improve LP cash flow. • Continued to expand the direct delivery program first launched in August 2022 to enable eligible small-scale and Indigenous licensed cannabis producers to directly deliver their products to licensed cannabis retail stores in B.C. and reduced the reporting requirement from weekly to bi-weekly to reduce administrative burden. • Continued to onboard new private licensed cannabis retail stores that opened in the province to the BC Cannabis Wholesale platform. There are approximately 523 private licensed cannabis stores on the platform. • Maintained a monthly calendar of social responsibility campaigns focused on educating customers about the importance of responsible consumption. Campaigns featured strategic messaging about keeping cannabis away from youth, the risks of drug impaired driving, safe consumption practices and fire safety. Social responsibility campaign materials are displayed in prominent, high-traffic areas in all BCCS and are promoted via BCCS' digital channels (website and social media). See Goal 3, Objective 3.2 for more information. • Continued a seasonal social responsibility campaign aimed at educating customers on the risks of drug impaired driving. The campaign was launched in 2022 in partnership with the Policing and Security Branch.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>In collaborating with stakeholders, continue to reinforce BC Liquor Stores' focus on corporate social responsibility by promoting awareness of the risks associated with alcohol misuse.</p>	<ul style="list-style-type: none"> • Maintained a monthly calendar of social responsibility campaigns focused on educating customers about the importance of moderation and responsible consumption practices. Campaigns featured strategic messaging about the risks associated with underage drinking, drinking and driving, binge-drinking, Fetal Alcohol Spectrum Disorder, and alcohol consumption and summer/winter activities. See Goal 3, Objective 3.2 for more information. • Social responsibility campaign materials are displayed in prominent, high-traffic areas in all BCL stores and are promoted via BCL's digital channels (website and social media). See Goal 3, Objective 3.2 for more information.
<p>Optimize the LDB's financial performance and sustain net returns to the Province of British Columbia in accordance with government policy, Treasury Board directives and the appropriate legislation and regulation.</p>	<ul style="list-style-type: none"> • While operating expenses were below budget, persistent inflationary pressure on consumer's discretionary spending and lower beverage alcohol consumption led to a net income slightly below the 2023/24 target by \$2.1 million. • \$1.15 billion of net income was generated to help fund vital public services. See Goal 1, Objective 1.1 for more information. • The LDB lines of business continued to achieve set objectives to support sales growth and increase efficiencies. Key highlights and discussion of results are included in the "Report on Performance" sections of this annual report.

Minister's Letter of Direction	Status as of March 31, 2024
<p>Strengthening the LDB's focus on corporate social impact/responsibility through initiatives that align with government's social and environmental priorities.</p>	<ul style="list-style-type: none"> • Through its network of BCL and BCCS, the LDB supported five in-store charitable campaigns throughout fiscal 2023/24 and raised: <ul style="list-style-type: none"> ○ \$1.16 million for Food Banks BC, ○ \$605,724 for Canadian Red Cross, and ○ \$64,525 for QMUNITY. • Through its network of BCL, the LDB raised \$273,324 from its Dry Grad campaign in fiscal 2023/24 in support of B.C. school districts' organization of alcohol and drug-free high school graduation celebrations. • See Goal 3, Objectives 3.1 and 3.3 for more information.
<p>Continuing commitment to improve organizational effectiveness and management practices by building on existing strengths to enhance a productive work culture and bolster overall performance.</p>	<ul style="list-style-type: none"> • Exceeded targets of on-time and accurate delivery to liquor customers through employee training proactivity and collaboration with external vendors and partners. • Recorded the best quarter to date of on-time delivery to cannabis customers, exceeding target, through effective collaboration with freight carriers and improving distribution centre efficiencies. • The LDB lines of business continued to make changes and improvements to their operations and achieved a number of their objectives and targets. Key highlights and discussion results are included in the "Report on Performance" sections of this annual report (e.g., see Goal 2, Objective 2.1).
<p>Working with other government partners to refresh and refocus the LDB's work with the Business Technical Advisory Panel on areas that are mutually beneficial and straightforward to advance.</p>	<ul style="list-style-type: none"> • Work is underway on most of the refreshed BTAP priorities, for LDB this includes undertaking a comprehensive stakeholder engagement as part of the review of LDB's manufacturer sales agreements and modernizing LDB's technology systems. Also, in response to BTAP's request, the LDB reviewed and expanded single bottle picks in 2023. • The LDB works closely with the LCRB on BTAP recommendations to support industry. For example, the LCRB implemented a suite of policy changes to improve the onsite experience for visitors at wineries, breweries, and distilleries.

Appendix C: Subsidiaries and Operating Segments

Table 1 provides an overview of BCL operating results, considering it as a customer of LDB Wholesale Operations, similar to other private store operators. To avoid double counting, all internal transactions between BCL and LDB Wholesale Operations have been excluded from LDB’s financial results. In the fiscal year 2023/24, BCL net income decreased by \$8.4 million compared to the prior year. The net income rate declined by 60 basis points, reaching 10.0 per cent of sales.

Table 1: BCL financial results

(Unaudited \$millions)	2022/23 Actual	% sales	2023/24 Actual	% sales
Sales	1,582.7	100.0	1,575.3	100.0
Gross Margin	373.6	23.6	375.5	23.8
Expenses	208.7	13.2	218.9	13.9
Other Income	2.4	0.2	2.3	0.1
Net Income	167.3	10.6	158.9	10.1

BCL sales include all customer transactions, including counter customers and private stores that occur in the stores. However, sales and the associated gross margin from licensed establishments (hospitality customers) are excluded from the BCL results since those sales are attributed to LDB Wholesale Operations. Consequently, the costs related to these hospitality sales are also removed from the BCL results.

The gross margin reflects the retail markup applied to the wholesale price of the product transferred from LDB Wholesale Operations to BCL.

It is important to note that the financial results presented in this particular schedule do not include any allocation of head office expenses.

Appendix D: Auditor's Report and Audited Financial Statements

Financial Statements of

**BC LIQUOR
DISTRIBUTION BRANCH**

And Independent Auditor's Report thereon

For the year ended March 31, 2024



KPMG LLP

PO Box 10426 777 Dunsmuir Street

Vancouver BC V7Y 1K3

Canada

Telephone (604) 691-3000

Fax (604) 691-3031

INDEPENDENT AUDITORS REPORT

To the Minister of Public Safety and Solicitor General, Province of British Columbia

Opinion

We have audited the accompanying financial statements of British Columbia Liquor Distribution Branch, which comprise:

- the statement of income and comprehensive income for the year then ended
- the statement of due to the Province of British Columbia for the year then ended
- the statement of financial position for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “*Auditor’s Responsibilities for the Audit of the Financial Statements*” section of our auditor’s report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 15, 2024

BC LIQUOR DISTRIBUTION BRANCH

Statement of Income and Comprehensive Income
(in thousands of dollars)

For the year ended March 31, 2024, with comparative information for 2023

	Note	2024	2023
Revenue	4	\$ 3,939,482	\$ 3,873,632
Cost of sales		(2,237,005)	(2,163,411)
Gross profit		1,702,477	1,710,221
Expenses:			
Administration	5, 11, 15	(550,153)	(513,784)
Marketing	5	(11,015)	(7,930)
Transportation	5	(1,078)	(1,159)
		(562,246)	(522,873)
Profit before other income and finance costs		1,140,231	1,187,348
Other income		14,676	17,871
Finance costs	11	(6,754)	(6,920)
Total Income and comprehensive income		\$ 1,148,153	\$ 1,198,299

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

BC LIQUOR DISTRIBUTION BRANCH

Statement of Due to the Province of British Columbia
(in thousands of dollars)

For the year ended March 31, 2024, with comparative information for 2023

	Note	2024	2023
Balance, beginning of year		\$ 71,098	\$ 42,107
Total income and comprehensive income		1,148,153	1,198,299
Net payments to the Province of British Columbia	13	(1,104,177)	(1,169,308)
Balance, end of year		\$ 115,074	\$ 71,098

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

BC LIQUOR DISTRIBUTION BRANCH

Statement of Financial Position
(in thousands of dollars)

For the year ended March 31, 2024, with comparative information for 2023

	Note	2024	2023
Assets			
Current:			
Cash		\$ 34,976	\$ 9,978
Accounts receivable	6	24,676	20,226
Prepaid expenses and deposits	7	6,393	11,090
Inventories	8	239,636	233,078
		305,681	274,372
Non-current:			
Prepaid expenses and deposits	7	5,330	1,247
Intangible assets	9	9	3,514
Property and equipment	10	85,550	86,572
Right-of-use assets	11	210,419	219,414
		301,308	310,747
Total assets		\$ 606,989	\$ 585,119

Liabilities

Current:			
Accounts payable and accrued liabilities	12, 15	\$ 206,847	\$ 223,840
Current portion of lease liabilities	11	46,553	43,680
Due to the Province of British Columbia	13	115,074	71,098
		368,474	338,618
Non-current:			
Non-current portion of lease liabilities	11	186,478	198,718
Other long-term liabilities	14	52,037	47,783
		238,515	246,501
Total liabilities		\$ 606,989	\$ 585,119

Commitments and contingencies 16,17

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

Approved for issue on May 15, 2024 by:


R. Blain Lawson
General Manager and Chief Executive Officer


Elena Perlova, CPA, CGA.
Acting Chief Financial Officer

BC LIQUOR DISTRIBUTION BRANCH

Statement of Cash Flows
(in thousands of dollars)

For the year ended March 31, 2024, with comparative information for 2023

	Notes	2024	2023
Cash provided by (used in):			
Operating:			
Total income and comprehensive income		\$ 1,148,153	\$ 1,198,299
Items not involving cash:			
Depreciation and amortization	9, 10, 11	67,503	73,871
Loss (gain) on disposal of property and equipment		(91)	3,378
Finance costs	11	6,754	6,920
Accrued employee benefits		4,255	2,629
Changes in non-cash operating items:			
Non-current assets		(4,083)	(381)
Working capital		(23,304)	(49,881)
		1,199,187	1,234,835
Investing:			
Acquisition of intangible assets	9	-	(1,433)
Acquisition of property and equipment	10	(18,345)	(14,717)
Proceeds from disposal of property and equipment		82	64
		(18,263)	(16,086)
Financing:			
Payment of lease liabilities	11	(51,919)	(52,092)
Lease incentives		170	1,203
Net payments to the Province of British Columbia	13	(1,104,177)	(1,169,308)
		(1,155,926)	(1,220,197)
Increase (decrease) in cash		24,998	(1,448)
Cash, beginning of year		9,978	11,426
Cash, end of year		\$ 34,976	\$ 9,978
Supplementary information:			
Non-cash operating and finance activities:			
Addition of lease liabilities	11	\$ 35,659	\$ 56,442

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

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

1. Description of operations

The British Columbia Liquor Distribution Branch (“the LDB”) is one of two branches of the Province of British Columbia (“the Province”) responsible for the beverage alcohol and cannabis industry in British Columbia and reports to the Ministry of Public Safety and Solicitor General effective April 1, 2023 (previously reporting to the Ministry of Finance).

The LDB obtains its authority for liquor operations from the British Columbia Liquor Distribution Act (“the Act”). As stated in Section 2 of the Act, the LDB has the exclusive right to purchase liquor for resale and reuse in the Province in accordance with the provisions of the Importation of Intoxicating Liquors Act (Canada).

The General Manager and Chief Executive Officer of the LDB are also appointed as the administrator for the wholesale distribution, the operation of retail stores, and the on-line sales system of cannabis products under the Cannabis Distribution Act.

The LDB is reported in the public accounts on a modified equity basis, in a manner similar to a commercial Crown corporation. The LDB does not reflect any equity on its statement of financial position as all income is owned and payable to the Province of British Columbia.

The LDB is exempt from Canadian federal and British Columbia provincial income taxes.

2. Basis of accounting

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were authorized for issuance by those charged with governance on May 15, 2024.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis. The accounts have been prepared on a going concern basis.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the LDB’s functional currency. All financial information has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting judgments, estimates and assumptions that could materially affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from those estimates.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

2. Basis of accounting (continued)

(d) Use of estimates and judgments (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In determining and applying accounting policies, judgment is often required where the choice of specific policy, assumption or account estimate to be followed could materially affect the reported results or net position of the LDB, should it later be determined that a different choice would be more appropriate. Management considers the following to be areas of judgment and estimation for the LDB due to greater complexity and/or being particularly subject to the exercise of judgment:

(i) Property and equipment and intangible assets

The determination of the useful economic life of property and equipment and intangible assets is subject to management estimation. The LDB regularly reviews all of its depreciation and amortization rates and residual values to take account of any changes in circumstances or that could affect prospective depreciation, amortization charges, and asset carrying values.

(ii) Leases and right-of-use assets - renewals

Management exercises judgment in determining the appropriate lease term on a lease-by-lease basis. Management considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option including investments in major leaseholds, store performances, past business practice and the length of time remaining before the option is exercisable. The periods covered by renewal options are only included in the lease term if management is reasonably certain to renew. Management considers reasonably certain to be a high threshold. Changes in the economic environment or changes in the retail industry may impact management's assessment of lease terms, and any changes in management's estimate of lease terms may have a material impact on the LDB's statement of financial position and statement of comprehensive income.

(iii) Leases and right-of-use assets - discount rates

In determining the carrying amount of right-of-use assets and lease liabilities, the LDB is required to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets if the interest rate implicit in the lease is not readily determined. Management determines the incremental borrowing rate using a base risk-free interest rate estimated by reference to the Government of Canada bond yield with an adjustment that reflects the LDB's credit rating, the security, lease term and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change due to changes in the business and macroeconomic environment.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies

The accounting policies below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

(a) Foreign currency translation

The LDB, in the normal course of business, purchases product in foreign currency. Any foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect at the transaction date. Any foreign currency denominated monetary assets and liabilities are stated using the prevailing rate of exchange at the date of the statement of financial position. The resulting foreign currency gains or losses are recognized on a net basis within administrative expenses in the statement of comprehensive income.

(b) Financial instruments

(i) Recognition and initial measurement

Trade receivables and trade payables are initially recognized when they originate. All other financial assets and financial liabilities are initially recognized when the LDB becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement of financial assets and financial liabilities

Financial Assets

On initial recognition, a financial asset is classified and measured at: amortized cost, fair value through other comprehensive income (“FVOCI”) - debt instrument, FVOCI - equity instrument, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the LDB changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and measurement of financial assets and financial liabilities (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the LDB may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized costs or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For the purposes of assessing whether contractual cash flows are solely payments of principal and interest, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the LDB considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that this would not meet this condition.

In making this assessment, the LDB considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features;
- terms that limit the LDB's claim to cash flows from specified assets (e.g., non-recourse features).

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and measurement of financial assets and financial liabilities (continued)

A prepayment feature is consistent with the payments solely of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The following accounting policies apply to subsequent measurement of financial assets:

- Financial assets at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized cost: these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Debt investments at FVOCI: these assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognized in profit or loss. Other net gains are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments (continued)

(iii) Derecognition

The LDB derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the LDB neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The LDB derecognizes a financial liability when its contractual obligations are discharged, or cancelled, or expire. The LDB also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the LDB currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(c) Property and equipment

Property and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the LDB and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(c) Property and equipment (continued)

Construction in process is carried at cost less any impairment loss. Cost includes professional fees, materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When these assets are ready for their intended use, they are transferred into the appropriate category. At this point, depreciation commences on the same basis as the other property and equipment.

(d) Intangible assets

Acquired intangible assets

Where purchased computer software is not an integral part of a related item of property and equipment, the software is capitalized as an intangible asset. Acquired computer software licenses for which the LDB has control are capitalized on the basis of the costs incurred to acquire and bring them into use.

Intangible assets acquired by the LDB that have finite lives are measured at cost less accumulated amortization and accumulated impairment losses.

Internally generated intangible assets

Direct costs associated with the production of identifiable and unique internally generated software products controlled by the LDB that will generate economic benefits exceeding costs beyond one year are capitalized. Direct costs include software development employment costs including those of contractors used.

Development expenditures incurred are capitalized only if the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale as intended by management;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditures that do not meet these criteria are recognized as an expense as incurred.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(d) Intangible assets (continued)

Assets that are under construction over a period of time and not available for use, are carried at cost, less any impairment loss, in a development in progress account until put into use. When completed and ready for intended use these assets are amortized on the same basis as other acquired intangible assets.

Costs associated with the implementation of Software as a Service ("SaaS") solutions and maintenance of existing software programs are recognized as an expense as incurred.

(e) Depreciation and amortization of non-financial assets

No depreciation is provided on land or assets in the course of construction. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their net book values over their estimated useful lives, as follows:

Asset	Rate
Buildings and building improvements	2.5 - 5% per annum
Leasehold improvements	Shorter of term of lease or estimated useful lives
Furniture, fixtures, vehicles and equipment	10 - 25% per annum
Information systems	25% per annum
Intangible assets - computer software development costs	25% per annum

The assets' net book values and useful lives are reviewed and adjusted, if appropriate, at each date of the statement of financial position.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(f) Leases and right-of-use assets

At the inception of a contract, the LDB assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the LDB assess whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly and, should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the LDB has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the LDB has the right to direct the use of the asset. The LDB has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the LDB has the right to direct the use of the asset if either:
 - the LDB has the right to operate the asset; or
 - the LDB designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassignment of a contract that contains a lease component, the LDB allocates the consideration of the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which LDB is a lessee, the LDB has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee, the LDB recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located where a contractual obligation exists, less any lease incentives received.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(f) Leases and right-of-use assets (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Incremental borrowing rate	2024	2023
Buildings	4% per annum	3 - 4% per annum
Office equipment	1% per annum	1% per annum

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the LDB's incremental borrowing rate. Generally, the LDB uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the LDB is reasonably certain to exercise, lease payments in an optional renewal period if the LDB is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the LDB is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the LDB's estimate of the amount expected to be payable under a residual value guarantee, or if the LDB changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(f) Leases and right-of-use assets (continued)

Short-term leases and leases of low-value assets

The LDB has applied the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, which includes computer equipment. The LDB recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Inventories

The LDB's inventories are valued at the lower of cost and net realizable value. Inventories are determined on a weighted average cost basis. Cost of inventories comprises of cost of purchase to bring inventories to an LDB distribution centre and includes supplier invoiced value, freight, duties, and non-recoverable taxes. Net realizable value represents the estimated selling price for inventories less the estimated costs to sell.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence or damage. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down previously recorded is reversed.

(h) Impairment

The LDB recognizes loss allowances for expected credit loss ('ECL') on financial assets measured at amortized cost and contract assets. The financial assets at amortized cost consist of accounts receivable.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the LDB considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the LDB's historical experience and informed credit assessment, which includes forward-looking information.

Allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The LDB assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The LDB considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the LDB in full.

Lifetime ECLs are the those amounts that result from all possible default events over the expected life of a financial instrument.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(h) Impairment (continued)

Measurement of ECLs is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the LDB expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the LDB assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data: significant financial difficulty of the debtor; a breach of contract such as a default; or being more than 30 days past due.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

If the LDB has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of the financial asset is written off.

(i) financial assets

Assets that are subject to depreciation and amortization are reviewed at each statement of financial position date to determine whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (the "cash-generating unit"), which are based on the LDB's individual stores.

(ii) non-financial assets

Non-financial assets that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized. This reversal would be recognized immediately in the statement of comprehensive income.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(i) Employee benefit plans

The LDB and its employees contribute to the Public Service Pension Plan in accordance with the Public Service Pension Plans Act. Defined contribution plan accounting is applied to the jointly trusted pension plan because sufficient information is not available to apply defined benefit accounting. Accordingly, contributions are expensed as they become payable. Employees are also entitled to specific retirement benefits as provided for under collective agreements and terms of employment. These benefits are accounted for as an expense and a liability in the period incurred based on the allocation of liability from the Province.

(j) Provisions

Provisions are recognized if, as a result of a past event, the LDB has a legal or constructive obligation upon which a reliable estimate can be made, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount. The unwinding of the discount is recognized as a finance cost.

(k) Revenue recognition

Revenue is measured based on the consideration to which LDB expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. For direct delivery programs where LDB accounts for the transactions as an agent, the revenue represents only the net margin charged on direct delivery sales. The LDB recognizes revenue when performance obligations are satisfied. Revenue from the sale of goods are measured at the amount that reflects the best estimate of the consideration expected to receive in exchange for those goods.

Revenue is stated net of discounts, commission, estimated returns and excludes provincial sales tax, federal goods and services tax, container recycling fees and container deposits.

(l) Other income

Revenue that is ancillary to the sales of beverage alcohol is recognized as other income. Other income includes revenue from beverage container handling fees, border point collections and customs clearing administrative fees.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

3. Material accounting policies (continued)

(m) Changes in accounting standards

(i) *New standards, interpretations, and amendments adopted by the LDB*

- *IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors amendments*

These amendments introduce a new definition of ‘accounting estimates’. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In the amendment, accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. This amendment is effective for the annual reporting period beginning April 1, 2023. These amendments are not expected to have a significant impact on the LDB’s financial statements.

(ii) *New IFRS standards, amendments and interpretations to existing standards that are relevant to the LDB but are not yet effective*

The following are new standards that are effective for the annual period beginning after April 1, 2024 and have not been adopted.

- *IAS 1 (Presentation of financial statements) amendment*

The amendment issued in 2020 affects only the presentation of liabilities in the statement of financial position as current or non-current. There are no changes to the amount or timing of recognition of any asset, liability income or expense, or the information that the entities disclose about those items. The amendment was to be effective for annual reporting periods beginning on or after January 1, 2023; however, the IASB has proposed further amendments to IAS 1 regarding liabilities with covenants, and the deferral of the effective date of the 2020 amendments to no earlier than January 1, 2024. This amendment is effective for the annual reporting period April 1, 2024. These amendments are not expected to have a significant impact on the LDB’s financial statements.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

4. Revenue

Total sales of liquor and cannabis include sales to various customers including retail customers, licensed establishments, licensee retail stores, and agency stores. These amounts do not include subsequent resale by hospitality establishments, licensee retail stores, and agency stores.

	2024	2023
Retail customers	\$ 1,687,548	\$ 1,670,875
Licensee retail stores and independent wine stores	1,713,006	1,667,075
Hospitality customers	400,635	399,372
Agency stores	102,949	104,782
Other customers	35,344	31,528
Total sales	\$ 3,939,482	\$ 3,873,632

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

5. Operating expenses

The LDB's operating expenses are comprised of:

	2024	2023
Administration costs	\$ 550,153	\$ 513,784
Marketing	11,015	7,930
Transportation	1,078	1,159
	\$ 562,246	\$ 522,873
Salaries, wages and benefits	\$ 350,788	\$ 316,536
Depreciation and amortization	67,503	73,871
Bank charges	41,848	41,391
Other administrative expenses	26,859	24,884
Rents and property taxes	19,698	17,708
Data processing	15,566	13,162
Professional services	13,644	13,025
Marketing	11,015	7,930
Repairs and maintenance	10,327	9,155
Loss prevention	3,920	4,052
Transportation	1,078	1,159
Total operating expenses	\$ 562,246	\$ 522,873

6. Accounts receivable

	2024	2023
Trade accounts receivable and other items	\$ 27,430	\$ 21,586
Provision for doubtful accounts	(2,754)	(1,360)
Accounts receivable	\$ 24,676	\$ 20,226

Receivables past invoice due date but not impaired are \$4 million (2023 - \$3.7 million). During the year the LDB expensed \$1.6 million (2023 - \$0.2 million) as bad debts expense.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

7. Prepaid expenses and deposits

Prepaid expenses and deposits include insurance, software maintenance, and cash paid pertaining to wine to be received in subsequent periods. The LDB purchases select wine products up to three years in advance to secure future delivery of these products as part of its ongoing business practices. These products are normally purchased in foreign currency and are translated to Canadian dollars at the spot exchange rate in effect at the transaction date. At March 31, 2024, the LDB has recorded \$8.6 million (2023 - \$9.4 million) of prepaid wine futures for delivery in fiscal years 2025 and 2026.

	2024	2023
Non-refundable deposit of wine futures	\$ 8,611	\$ 9,441
Other prepaid expenses	3,112	2,896
	11,723	12,337
Less: long term portion	(5,330)	(1,247)
Current portion	\$ 6,393	\$ 11,090

8. Inventories

	2024	2023
Store inventory	\$ 94,117	\$ 92,373
Warehouse inventory	145,519	140,705
Total inventory	\$ 239,636	\$ 233,078

During the year, inventories that were recognized as cost of sales amounted to \$2.2 billion (2023 - \$2.2 billion).

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

9. Intangible assets

	Software development	Development in process	Total
March 31, 2023			
Opening net book value	\$ 11,431	\$ 2,519	\$ 13,950
Additions	1	1,432	1,433
Assets reclassified	49	(49)	-
Completion of development-in-progress	3,902	(3,902)	-
Assets written-off	(3,417)	-	(3,417)
Amortization charge	(8,452)	-	(8,452)
	\$ 3,514	\$ -	\$ 3,514
Cost	\$ 94,712	\$ -	\$ 94,712
Accumulated amortization	(91,198)	-	(91,198)
Net book value	\$ 3,514	\$ -	\$ 3,514
March 31, 2024			
Opening net book value	\$ 3,514	\$ -	\$ 3,514
Amortization charge	(3,505)	-	(3,505)
	\$ 9	\$ -	\$ 9
Cost	\$ 94,712	\$ -	\$ 94,712
Accumulated amortization	(94,703)	-	(94,703)
Net book value	\$ 9	\$ -	\$ 9

BC LIQUOR DISTRIBUTION BRANCH

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

10. Property and equipment

	Land & land improvements	Buildings & building improvements	Leasehold improvements	Furniture fixtures vehicles and equipment	Information systems	Construction in process (CIP)	Total
March 31, 2023							
Opening net book value	\$ 630	\$ 1,072	\$ 67,113	\$ 14,342	\$ 9,654	\$ 1,782	\$ 94,593
Additions	-	77	1,240	3,066	2,085	8,249	14,717
CIP capitalization	-	-	6,124	1,082	238	(7,444)	-
Disposals (cost)	-	-	-	(1,204)	(246)	-	(1,450)
Disposals (accumulated depreciation)	-	-	-	1,183	243	-	1,426
Depreciation charge	(2)	(91)	(11,329)	(6,340)	(4,952)	-	(22,714)
	\$ 628	\$ 1,058	\$ 63,148	\$ 12,129	\$ 7,022	\$ 2,587	\$ 86,572
Cost	\$ 647	\$ 6,686	\$ 169,431	\$ 70,241	\$ 50,049	\$ 2,586	\$ 299,640
Accumulated depreciation	(19)	(5,628)	(106,283)	(58,112)	(43,026)	-	(213,068)
Net book value	\$ 628	\$ 1,058	\$ 63,148	\$ 12,129	\$ 7,023	\$ 2,586	\$ 86,572
March 31, 2024							
Opening net book value	\$ 628	\$ 1,058	\$ 63,148	\$ 12,129	\$ 7,023	\$ 2,586	\$ 86,572
Additions	273	404	979	4,654	3,931	8,104	18,345
CIP capitalization	-	-	4,751	714	-	(5,465)	-
Disposals (cost)	-	-	(15,533)	(5,296)	(3,325)	-	(24,154)
Disposals (accumulated depreciation)	-	-	15,533	5,273	3,325	-	24,131
Depreciation charge	(5)	(101)	(11,468)	(4,581)	(3,189)	-	(19,344)
	\$ 896	\$ 1,361	\$ 57,410	\$ 12,893	\$ 7,765	\$ 5,225	\$ 85,550
Cost	\$ 920	\$ 7,090	\$ 159,628	\$ 70,313	\$ 50,655	\$ 5,225	\$ 293,831
Accumulated depreciation	(24)	(5,729)	(102,218)	(57,420)	(42,890)	-	(208,281)
Net book value	\$ 896	\$ 1,361	\$ 57,410	\$ 12,893	\$ 7,765	\$ 5,225	\$ 85,550

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
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For the year ended March 31, 2024

11. Leases and right-of-use assets

The LDB has various real estate (property) leases for retail stores, office space and warehouses. The leases have varying terms, escalation clauses, and renewal rights. The leases for retail stores, office space and warehouses typically run for a period of five to ten years. Some leases also require the LDB to make payments related to property taxes levied on the lessor and insurance payments made by the lessor. These amounts are generally determined annually.

The LDB also leases office equipment with terms of five years.

(a) Right-of-use assets

	Property	Equipment	Total
March 31, 2023			
Opening net book value	\$ 205,505	\$ 172	\$ 205,677
Additions	55,078	1,364	56,442
Depreciation charge	(42,442)	(263)	(42,705)
	\$ 218,141	\$ 1,273	\$ 219,414
Cost	\$ 392,262	\$ 2,310	\$ 394,572
Accumulated depreciation	(174,121)	(1,037)	(175,158)
Net book value	\$ 218,141	\$ 1,273	\$ 219,414
March 31, 2024			
Opening net book value	\$ 218,141	\$ 1,273	\$ 219,414
Additions	35,659	-	35,659
Disposals (cost)	(1,651)	-	(1,651)
Disposals (accumulated depreciation)	1,651	-	1,651
Depreciation charge	(44,381)	(273)	(44,654)
	\$ 209,419	\$ 1,000	\$ 210,419
Cost	\$ 420,452	\$ 2,310	\$ 422,762
Accumulated amortization	(211,033)	(1,310)	(212,343)
Net book value	\$ 209,419	\$ 1,000	\$ 210,419

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

11. Leases and right-of-use assets (continued)

(b) Right-of-use asset provision

One of the properties that the LDB leases has been vacant. The lease ended in July 2023.

The provision for the right-of-use asset is as follows.

	2024	2023
Balance, April 1	\$ 610	\$ 2,399
Lease payments	(613)	(1,838)
Finance costs	3	49
Balance, March 31	\$ -	\$ 610

(c) Amounts recognized in statement of comprehensive income

	2024	2023
Depreciation on right-of-use assets	\$ 44,654	\$ 42,705
Interest expense on lease liabilities	6,754	6,920
Rent expense related to short-term leases	388	84

(d) Amounts recognized in statement of cash flows

	2024	2023
Total cash outflow for leases	\$ 51,919	\$ 52,092

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

11. Leases and right-of-use assets (continued)

(e) Lease liabilities

Undiscounted cash flow of future lease payments

	2024	2023
Less than one year	\$ 53,101	\$ 52,017
Between one to five years	150,402	154,669
More than five years	54,163	77,768
	\$ 257,666	\$ 284,454

Lease liabilities included in the statement of financial position

	2024	2023
Current	\$ 46,553	\$ 43,680
Non-current	186,478	198,718
	\$ 233,031	\$ 242,398

The weighted-average incremental borrowing rate applied for leases that are 10 years or more is 4.0% (2023 - 3.9%). Leases that are less than 10 years use a discount rate of 3.5% (2023 - 3.0%).

12. Accounts payable and accrued liabilities

	2024	2023
Trade payables	\$ 126,363	\$ 139,417
Accrued liabilities	73,737	77,691
Other payables	6,747	6,732
	\$ 206,847	\$ 223,840

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
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For the year ended March 31, 2024

13. Due to Province of British Columbia

The LDB uses the Province's financial and banking systems to process and record its transactions. The amount due to the Province represents the accumulated net financial transactions with the Province. During the year, the total receipts from the Province were \$3.33 billion (2023 - \$3.21 billion) and the total payments to the Province were \$4.43 billion (2023 - \$4.38 billion) for a net repayment to the Province of \$1.10 billion (2023 - \$1.17 billion).

14. Other long-term liabilities

The LDB's other long-term liabilities are comprised of:

	2024	2023
Retirement benefit obligation (note 15(b))	\$ 21,864	\$ 21,453
WorkSafe BC claims accruals (note 15(c))	27,800	24,500
Other	2,373	1,830
	\$ 52,037	\$ 47,783

15. Employees' benefit plans and other employment liabilities

(a) Public Service Pension Plan

The LDB and its employees contribute to the Public Service Pension Plan, a jointly trusteed pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. At March 31, 2023, the plan has about 71,000 active members and approximately 55,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

15. Employees' benefit plans and other employment liabilities (continued)

(a) Public Service Pension Plan (continued)

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4.491 million for basic pension benefits on a going concern basis.

LDB paid \$22.9 million (2023 - \$19.3 million) for employer contributions to the plan in fiscal 2024 which was recorded in administration expenses. The next valuation will be as at March 31, 2026.

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

(b) Retirement benefits

Employees are entitled to specific non-pension retirement benefits as provided for under collective agreements and terms of employment. The future liability for this obligation amounts to \$21.9 million (2023 - \$21.5 million), which represents future employees' retirement benefits outside of the Plan and is included in other long-term liabilities. The amount expensed in the current year was \$0.4 million (2021 - \$0.3 million).

(c) WorkSafe BC outstanding claims

The LDB self-funds worker's compensation claims. The LDB recognizes a liability and an expense for claims that are in progress at the year-end. This liability of \$27.8 million (2023 - \$24.5 million) is valued by independent actuaries.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

16. Contractual commitments

(a) BC Liquor store and BC Cannabis store license fees

The LDB pays the Liquor Control and Licensing Branch an annual license fee for each LDB retail store. The BC Liquor store fee is based on annual store sales. The BC Cannabis fee is annual fixed fee. The LDB paid \$0.5 million (2023 - \$0.5 million) for license fees during the year.

(b) Payroll processing

The LDB has an agreement with the BC Public Service Agency for payroll processing. The LDB paid \$1.2 million (2023 - \$1.1 million) for processing services. The agreement expires in July 2025.

Other contractual commitments have been disclosed elsewhere in the notes to the financial statements.

17. Contingent items

(a) The LDB is the sole importer of beverage alcohol in the Province. The LDB, as the importer of record, has the future liability for customs duty on import beer of \$0.5 million (2023 - \$1.0 million) based upon the value of the agents' inventories at March 31, 2024.

(b) The LDB in the normal course of operations is the defendant in various legal actions and it is not expected that the ultimate outcome of these claims will have a material effect on the financial position or operating results of the LDB.

18. Capital management

The LDB does not retain any equity. Net income is returned to the Province. The LDB has no externally imposed capital requirements.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

19. Related party transactions

(a) Province of British Columbia

All transactions with the Province of BC and its ministries, agencies, and Crown corporations occurred in the normal course of business and are recorded at the exchange amount, which is representative of fair value unless otherwise disclosed in these notes.

(b) Key management compensation

The LDB's executive management committee is defined as key management. At March 31, 2024 there were 10 (2023 - 9) members on the executive committee.

	2024	2023
Salaries and short-term benefits	\$ 1,919	\$ 1,609
Post-employment benefits	138	101
	<u>\$ 2,057</u>	<u>\$ 1,710</u>

Other related party transactions have been disclosed elsewhere in the notes to the financial statements.

20. Fair value of financial instruments

Fair value measurements recognized in the statement of financial position are categorized in accordance with the following levels:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

All of the LDB's financial instruments are classified within Level 1 or Level 2, apart from the Worksafe BC liabilities (Level 3), because these instruments are valued using quoted market prices or alternative pricing sources and models utilizing observable market inputs.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
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For the year ended March 31, 2024

20. Fair value of financial instruments (continued)

The fair values of the LDB's financial instruments were determined to be the current assets and liabilities.

The carrying amounts for cash, accounts receivable, accounts payable and accrued liabilities and due to the Province of British Columbia approximate their fair values due to the short-term nature of these items.

21. Facilities

The LDB has access to a line of credit facility of \$40,000,000 that is shared with other Provincial ministries and agencies. The balance drawn down as at March 31, 2024 was \$nil (2023 - \$nil)

22. Financial risk factors

The LDB is exposed to the following risks related to its financial assets and liabilities:

- Credit risk
- Liquidity risk
- Market risk

It is management's opinion that the LDB is not exposed to significant credit, liquidity or market risk arising from these instruments.

The LDB does not have any financial instruments to be disclosed with actuarial value.

(a) Credit risk

Credit risk is the risk of financial loss to the LDB due to customer inability to pay for product or a counterparty to a financial instrument failing to meet its contractual obligations. The LDB's exposure to credit risk is related only to the value of accounts receivable in its normal course of business, and the LDB manages this risk by minimizing the amount of transactions which require recovery.

Credit risk is the risk of financial loss to the LDB arising from its cash held at financial institutions and the failure of another party to meet its contractual obligations related to lease agreements, including future lease payments. See accounts receivable note 3(b) and 6 for further disclosure on credit risk.

As at March 31, 2024, the cash balances are held with a major Canadian bank and therefore not exposed to significant credit risk.

BC LIQUOR DISTRIBUTION BRANCH

Notes to the Financial Statements
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

22. Financial risk factor (continued)

(b) Liquidity risk

Liquidity risk is the risk that the LDB will not be able to meet its financial obligations as they fall due.

The LDB manages liquidity risk primarily by monitoring cash flows and by maintaining the ability to borrow funds through the Province.

(c) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the LDB's income or the value of its financial instruments.

While the majority of the LDB's transactions are in Canadian dollars, the LDB also transacts in Euros and US dollars. These transactions are in the normal course of business. The LDB's exposure to foreign currency risk could impact the accounts payable of the LDB. A 10% movement in the exchange rate between the Canadian dollar and the other currencies listed above would not have a material impact on the LDB.

The LDB currently does not hold any debt or equity securities and as such is not exposed to interest rate risk. As the LDB has no significant interest-bearing assets and liabilities, the LDB's income and operating cash flows are substantially independent of changes in market interest rates.

2024 VINTAGE REPLACEMENT SUPPORTS

Ministries:

- Ministry of Public Safety and Solicitor General – BC Liquor Distribution Branch (LDB) and Liquor and Cannabis Regulation Branch (LCRB)
- Ministry of Finance – Crown Agencies Secretariat
- Ministry of Agriculture and Food (AF)
- Ministry of Jobs, Economic Development and Innovation

Issue:

- Following the unprecedented January 2024 freeze event that resulted in a loss of over 90 per cent of BC grape production, the LDB is temporarily extending mark-up concessions and rebates for eligible BC wineries that replace their 2024 vintage with wine made from grapes and grape juice sourced from outside of the province.

Background:

- The January 2024 freeze event resulted in a devastating loss of grapes and damage to vines that could have a lasting impact on the long-term sustainability and strength of BC's world-class wine industry.
- Wineries producing BC Vinters Quality Alliance (BC VQA) and 100 per cent BC grape wine receive benefits through the LDB, including a rebate on BC VQA wine sold through LDB distribution and mark-up concessions on direct sales of BC VQA and/or 100 per cent BC wine.
- On July 25, 2024, the LDB's 2024 vintage replacement support was announced. Under this initiative, any BC winery that sold BC VQA and/or 100 per cent BC wine in the last five years will continue to receive mark-up concessions and rebates on 2024 vintage replacement wine produced with authorized inputs sourced from outside the province and sold from April 1, 2025 to March 31, 2028.
 - Authorized inputs include non-BC grapes and grape juice, as well as unfinished wines up to first fermentation for whites and malolactic fermentation for reds.
 - Authorized inputs must originate from a 2024 vintage or harvest and be purchased prior to March 31, 2025.
 - Support for each BC winery will be capped annually based on an average of mark-up concessions and rebates that the LDB has provided to those wineries in the past five years.
- This support is in addition to the following measures previously announced:
 - Participating Land-based Wineries will be automatically exempt from the requirement in their LDB sales agreement to source a minimum of 25 per cent of their agricultural inputs from their owned or leased land. This exemption will be in effect until March 31, 2025.
 - Wineries can apply to the LCRB for temporary waivers to the 4,500-litre minimum annual production requirement for annual licence renewals.

- A temporary exemption for BC wineries located on the Agricultural Land Reserve from the requirement to use 50 per cent BC grapes in wine production until March 31, 2025.
- \$26 million for grape replant programs and \$92.6 million in Production Insurance and AgriStability payments through AF.
- Launching a B.C. wine-grape-sector task force to support long-term crop resiliency.

Considerations:

- The wine industry in BC is an important economic driver, generating approximately \$3.75 billion annually for BC and employing 14,000-plus full-time workers. The industry generates revenue not only through direct wine sales but also significant indirect revenue for businesses that rely on wine related tourism, as well as many jobs that support the winemaking supply chain.
 - There are approximately 350 licensed grape wine wineries in BC as of June 2024.
 - Each year, BC’s wineries receive more than 1,191,500 visitors.
- Without this intervention in response to the January 2024 deep freeze, many wineries have said they would have faced substantial financial losses and possible cuts to thousands of direct and indirect jobs, including the loss of highly specialized wine makers and cellar masters whose expertise is integral to the industry.
- The wine industry, alongside many other BC industries, has faced significant climate and economic challenges over the past several years. However, the unprecedented scale of the 2024 freeze event meant government intervention was needed to enable impacted wineries to retain these skilled workers and be ready to produce BC grape wines in subsequent harvests.

Current/Next Steps:

- Letters were sent to each BC winery in late August 2024 communicating their annual support cap.
- Additional operational implementation details, including additional information regarding labelling of replacement wines, will be communicated to industry via memos and industry education sessions in Fall 2024.
- LDB will continue working with industry, including Wine Growers BC, to address any other issues as required.

BUSINESS TECHNICAL ADVISORY PANEL ON LIQUOR (BTAP)

Ministry/Ministries:

- Ministry of Public Safety and Solicitor General – BC Liquor Distribution Branch (LDB) and Liquor and Cannabis Regulation Branch (LCRB)
- Ministry of Finance – Crown Agencies Secretariat (CAS)
- Ministry of Agriculture and Food (AF)

Issue:

BTAP will need to meet as soon as possible post-election with the Minister present, to confirm the new government's priorities regarding liquor policy and adjust the workplan as required.

Background:

- In 2018, government established BTAP to inform government on liquor policy issues and areas of concern or opportunity for the BC liquor industry. BTAP has 11 members representing manufacturers, retail licensees and hospitality sector associations (see Appendix B for list of members).
- BTAP produced a 2018 report outlining recommendations for policy changes that would support the liquor industry. Most of these recommendations, as well as emergency recommendations made in the wake of the COVID-19 pandemic, have since been addressed.
- Given shifts in both industry and government priorities, a set of refreshed priorities for liquor policy were approved by Minister Mike Farnworth in January 2024.
- Representatives from LDB, LCRB, CAS, and AF meet with BTAP quarterly to discuss progress on identified priorities as well as any emerging liquor-related issues. The Ministry of Health has attended BTAP at the request of the members to provide updates on the public health aspects of liquor policy.
- The most recent BTAP meeting was held in April 2024. In lieu of a July meeting, the Minister met with BTAP to share the news of the Vintage 2024 supports in advance of the public announcement. The next quarterly meeting would have been September but was deferred due to the electoral cycle.

Implications / Considerations / Opportunities:

- BTAP is a forum where a broad range of liquor sector stakeholders, spanning both the manufacturing and hospitality sectors, can collectively prioritize and balance their often competing interests. It is also an opportunity for effective two way communication and consultation on potential policy and/or regulatory changes.
- When the BTAP refresh was announced, government told BTAP members that any additional requests would not be considered until the identified priorities had been addressed.
- However, after the devastating loss of grapes from the January 2024 deep freeze and the resulting support requests from wineries, the LDB was directed by Minister Farnworth to pause the winery sales agreement review in order to prioritize work related to the grape shortage. The

brewery and distillery sales agreement reviews have continued as planned.

- On June 4, 2024, Minister Popham was appointed as the designated Provincial cabinet liaison for the hospitality sector, which industry had been advocating for. This provided an additional avenue for hospitality sector members of BTAP to engage with government.
 - Notably, the hospitality sector has raised concerns with Minister Popham and in the BTAP forum regarding distribution challenges, including delays and lack of transparency around delivery times for non-stocked wholesale product (NSWP). Due to low volume, NSWP are stored at private storage facilities rather than LDB's distribution centers until they are ordered by licensees (such as bars, restaurants, and liquor stores).

Next Steps:

- Confirm the BTAP priorities with both the new government and BTAP.
- Decide on timing and structure of the next BTAP meeting to provide updates on work underway and work completed on several refreshed BTAP priorities (see Appendix A for Work Underway).

Appendix A: Work Underway

- Modernization of the LDB's technology systems:
 - The LDB is continuing work to modernize its technology systems to improve reliability and service to stakeholders.
- Risk assessment of BC's liquor supply chain:
 - The LDB has engaged a third-party contractor (Deloitte) who is currently leading a risk assessment with the focus of increasing BC's liquor supply chain resiliency in the face of unprecedented challenges such as the COVID-19 pandemic and significant weather events.
 - The risk assessment includes engagement with a small group of suppliers, agents, third-party warehouses and wholesale and hospitality customers.
 - Following the completion of the risk assessment, the LDB will undertake a review of the findings from both an operational and policy perspective and will develop options for Minister decision.
- Review of the distribution of NSWP and refreshment beverages:
 - Following the completion of the supply chain risk assessment, the LDB will undertake a policy and operational review to identify and explore options to address known distribution challenges with NSWP and refreshment beverages.
- Review of the LDB's manufacturer sales agreements:
 - The LDB is undertaking a review of its brewery, distillery, and winery sales agreements to ensure continued alignment with government policy objectives. These agreements outline the requirements, restrictions, and many of the benefits for BC manufacturers selling liquor products within BC.
 - The first phase of this review consists of comprehensive industry engagement in the form of an online survey and roundtable discussions.
 - Online surveys for the winery, brewery, and distillery sectors were completed between February and July 2024.
 - Roundtable discussions were held with the brewery sector in September 2024 and the distillery sector in October 2024.
 - The winery roundtables are currently on hold to prioritize work related to the grape shortage.
 - Feedback received throughout industry engagement will inform the identification of issues to be explored as part of the sales agreement review, and Minister direction will be sought in early to mid-2025 to confirm which issues to prioritize.
 - The sales agreement review will conclude with the development of options for government decision.
- Continue to work to streamline the LCRB's application process and requirements for manufacturer and hospitality licensees.
- Identification of opportunities within LCRB's processes for procedural and information technology modifications to increase efficiency, reduce timelines and improve communication of requirements with applicants.

- Review of the process for tied house and suitability assessments for applicants.
 - Evaluation is complete and the LCRB is currently implementing phase one, which will reduce the corporate documents required to be submitted for the majority of new licence holders. Full implementation is anticipated in 2025.
- Review of the minimum price-per-standard-drink (PPSD) model to reduce the harms associated with excessive alcohol consumption.
 - The LCRB consulted with industry and health stakeholders on a change to the minimum price structure. Consultations will continue in 2025.
- Improved visitor experiences at manufacturing sites.
 - Policy and regulatory amendments were implemented in Spring 2024 to allow manufacturers to offer sale and service of their products, including packaged product, across the manufacturing site with some restrictions.
 - These changes enable the outdoor visitor experiences manufacturers want to offer and support increased retail sales directly from manufacturers.

Appendix B: BTAP Industry Members

- Alliance of Beverage Licensees (ABLE BC) – ED Jeff Guinard (Co-chair)
- BC Craft Brewers Guild – ED Ken Beattie
- BC Restaurant and Foodservices Association – President and CEO Ian Tostenson
- Beer Canada – President CJ Hélie and VP Evan Southern
- Craft Distillers Guild of BC – President Tyler Dyck
- Imports Vintners & Spirits Association – ED Matthew Watters
- New Wave Wine Society – Board Chair Pat Bell
- Restaurants Canada – Western Canada VP Mark von Schellwitz
- Rural Agency Store Advisory Society – Director Trent Leggett
- Spirits Canada – Director, Communications and Public Affairs, Via Dulay
- Wine Growers BC – President and CEO Miles Prodan (Term ends December 31)

**CROWN AGENCIES SECRETARIAT – LIQUOR DISTRIBUTION BRANCH (LDB)
KEY STAKEHOLDERS**

Name	Description	Key Issues / Interests
Alliance of Beverage Licensees (ABLE BC)	Advocacy group of approximately 1000 members representing BC’s private liquor industry, including Licensee Retail Stores and liquor primary establishments (bars, pubs, nightclubs.)	<ul style="list-style-type: none"> ABLE Executive Director is Co-chair of BTAP
Business Technical Advisory Panel (BTAP)	Established in 2018 to inform government on liquor policy issues and areas of concern or opportunity for the B.C. liquor industry. BTAP has 11 ¹ members representing manufacturers, retail licensees and hospitality sector associations.	<ul style="list-style-type: none"> Liquor policy, etc.
BC Craft Brewers Guild	<p>Collection of small BC breweries producing less than 200,000 HL annually, worldwide; they are also a cooperative trade organization.</p> <p>Craft breweries contribute 4,5000 jobs in BC and \$346 million in sales (LDB report 2022). Currently there are more than 240 independently-owned and operated craft breweries in BC with 85% being Guild members.</p>	<ul style="list-style-type: none"> Executive Director is a member of BTAP

¹ The 11 members of BTAP have also been individually noted.

Name	Description	Key Issues / Interests
BC Restaurant and Foodservices Association	<p>Representing the interests of BC restaurants at all levels of government to promote industry growth.</p> <p>The hospitality (restaurant and foodservice) industry employs over 185,000 workers across the province at Over 15,000 establishments and generates \$18 billion annually in sales.</p>	<ul style="list-style-type: none"> • President and CEO is a member of BTAP
Beer Canada	<p>A trade association that advocates on behalf of its members and works with governments, stakeholders and the public to improve the marketplace for beer.</p> <p>Members are brewers who collectively produce 90% of all beer consumed in Canada. The board of Beer Canada includes representatives from Labatt Breweries, and Waterloo Brewing Company.</p>	<ul style="list-style-type: none"> • President and Vice President are BTAP members
Craft Distiller's Guild of BC	<p>Represents 39 craft distilleries in BC. To achieve the Craft designation, BC distilleries must produce no more than 50,000 litres of spirit per year and use 100% BC agricultural products to produce the alcohol from fermentation. Fermentation must be completed onsite at the distillery.</p>	<ul style="list-style-type: none"> • President is a member of BTAP
First Nations Gaming Commission (FNGC)	<p>Created by First Nations in BC to advocate for their rights with regards to gaming and oversee revenue-sharing agreements with the province.</p>	<ul style="list-style-type: none"> • Gaming Control Act • New Gaming Facility Developments

Name	Description	Key Issues / Interests
Import Vintners and Spirits Association (IVSA)	A registered not-for-profit society that was formed in 1975 by a group of beverage alcohol import agents who felt a united voice should be heard when communicating with the BC Liquor Distribution Branch, AGLC, Provincial Governments and industry partners.	<ul style="list-style-type: none"> Board member and treasurer is IVSA's interim member of BTAP
New Wave Wine Society	A group of small mead and fruit wineries that have come together in an effort to support innovation and quality in the wine sector.	<ul style="list-style-type: none"> Board Chair is a member of BTAP
Restaurants Canada	Represents Canada's restaurant and foodservice industry from independent operators to regional and national chains, including restaurants, bars, caterers, franchisors, hotels, institutions, food trucks, convenience stores and other emerging business types.	<ul style="list-style-type: none"> Western Canada VP is a member of BTAP
Rural Agency Store Advisory Society (RLASAS)	Represents the interests of approximately 230 Rural Agency stores in BC. Rural agency stores allow the sale of alcohol in communities and major tourist destination resorts in BC too small to warrant a full-service liquor outlet.	<ul style="list-style-type: none"> Director is a member of BTAP
Spirits Canada	Represents the interests of the Canadian spirits industry.	<ul style="list-style-type: none"> Senior VP, Public Affairs and Policy is a member of BTAP

Name	Description	Key Issues / Interests
Wine Growers BC	A volunteer membership-based, not for profit society. Their mission is to represent the interests of BC commercial and land-based wineries dedicated to producing 100% BC grape wines through marketing, communications and advocacy of their products to stakeholders	<ul style="list-style-type: none"> <li data-bbox="1096 245 1785 272">• President and CEO Miles Prodan is a member of BTAP

Government 101

Government 101

Overview of Key Roles, Structures & Processes

October 2024



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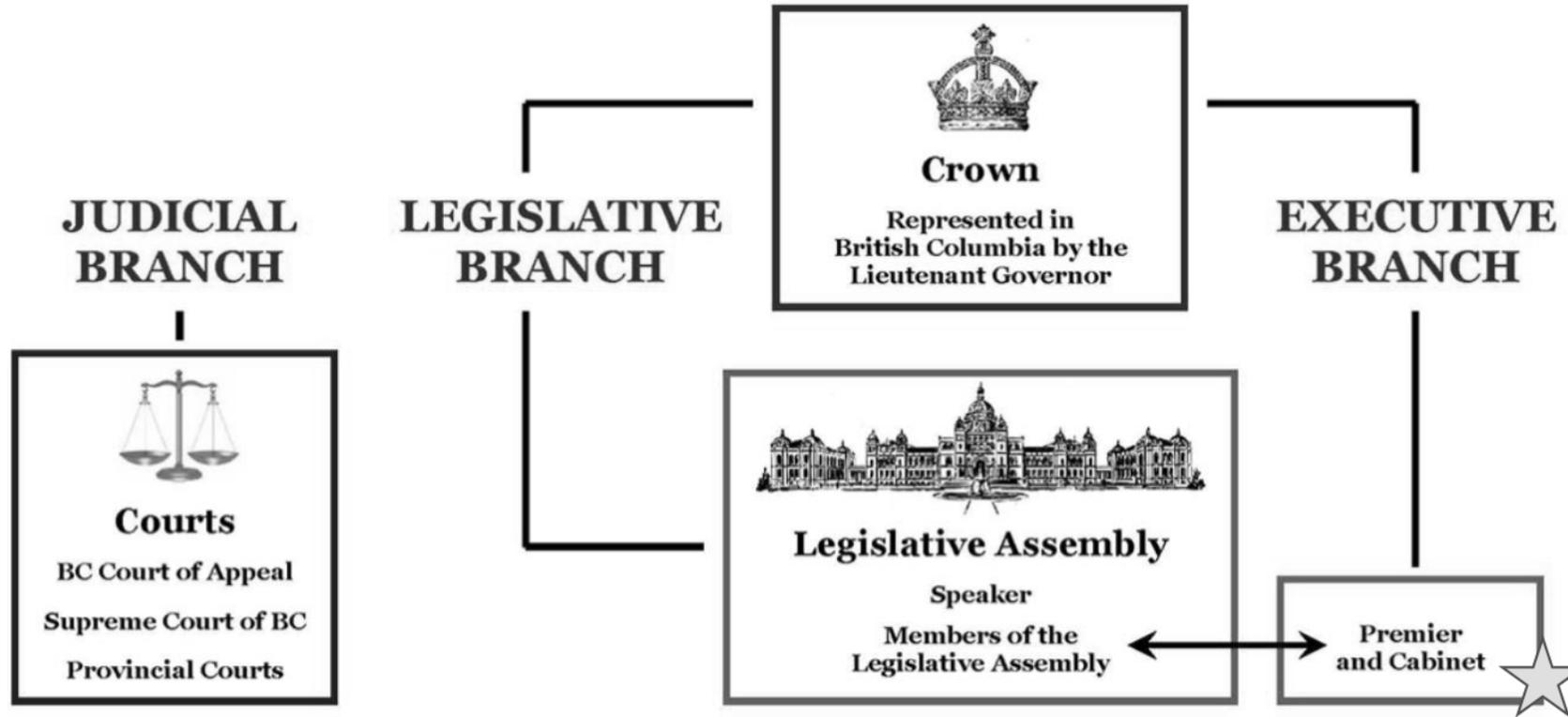
Overview

- Introduction
- Office of the Premier
- Roles & Responsibilities
- Government Decision Making
- Cabinet Confidentiality
- Conflict of Interest
- Records Management

Introduction



The Three Branches of Government



The Executive Council or Cabinet

- Established under section 9 of *Constitution Act*
- Ultimate decision-making body of government
- Members appointed by the Lieutenant Governor on advice from Premier
- Chaired by the Premier

Office of the Premier



Office of the Premier

- The Office of the Premier has two principal roles:
 - 1) **Political:** overseen by the Premier's Chief of Staff, who acts as the senior political advisor to government
 - 2) **Non-partisan Public Service:** overseen by the Deputy Minister to the Premier
- Premier's **Chief of Staff** and **Deputy Minister to the Premier** work collaboratively to:
 - Support the Premier to advance government's policy and legislative agendas
 - Represent the Premier in providing direction to their respective staffs:
 - Chief of Staff provides direction to political staff, including Ministers' chiefs of staff
 - Deputy Minister to the Premier provides direction to public servants

Key Roles

Premier's Chief of Staff

- Most senior political advisor
- Provides strategic advice to the Premier and Executive Council (Cabinet) to advance government's policy and legislative agenda
- Coordinates and develops government's strategic and policy objectives
- Coordinates cross-government communications and issues management
- Develops and maintains relationships with major stakeholders
- All Ministers' chiefs of staff report to the Premier's Chief of Staff

Deputy Minister to the Premier

- Most senior public servant (non-political official)
- Serves as Cabinet Secretary and head of the BC Public Service
- Provides non-partisan advice to the Premier on public policy, development of legislation, and operational issues
- Ensures effective administration of programs and services, the development and implementation of key policy initiatives
- Manages a professional and non-partisan public service
- All Deputy Ministers report to the Deputy Minister to the Premier

Roles & Responsibilities



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Advice/Recommendations

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Government Decision-Making



Cabinet-Level Decisions



Policy

Cabinet considers and provides direction on significant new policies or shifts in policy. It may also provide direction on contentious issues and issues with significant cross-government and inter-governmental implications.



Fiscal

Treasury Board considers and provides direction on the overall financial decision making of the province and the execution of the fiscal plan, including making regulations or issuing directives to control or limit expenditures.



Legislative

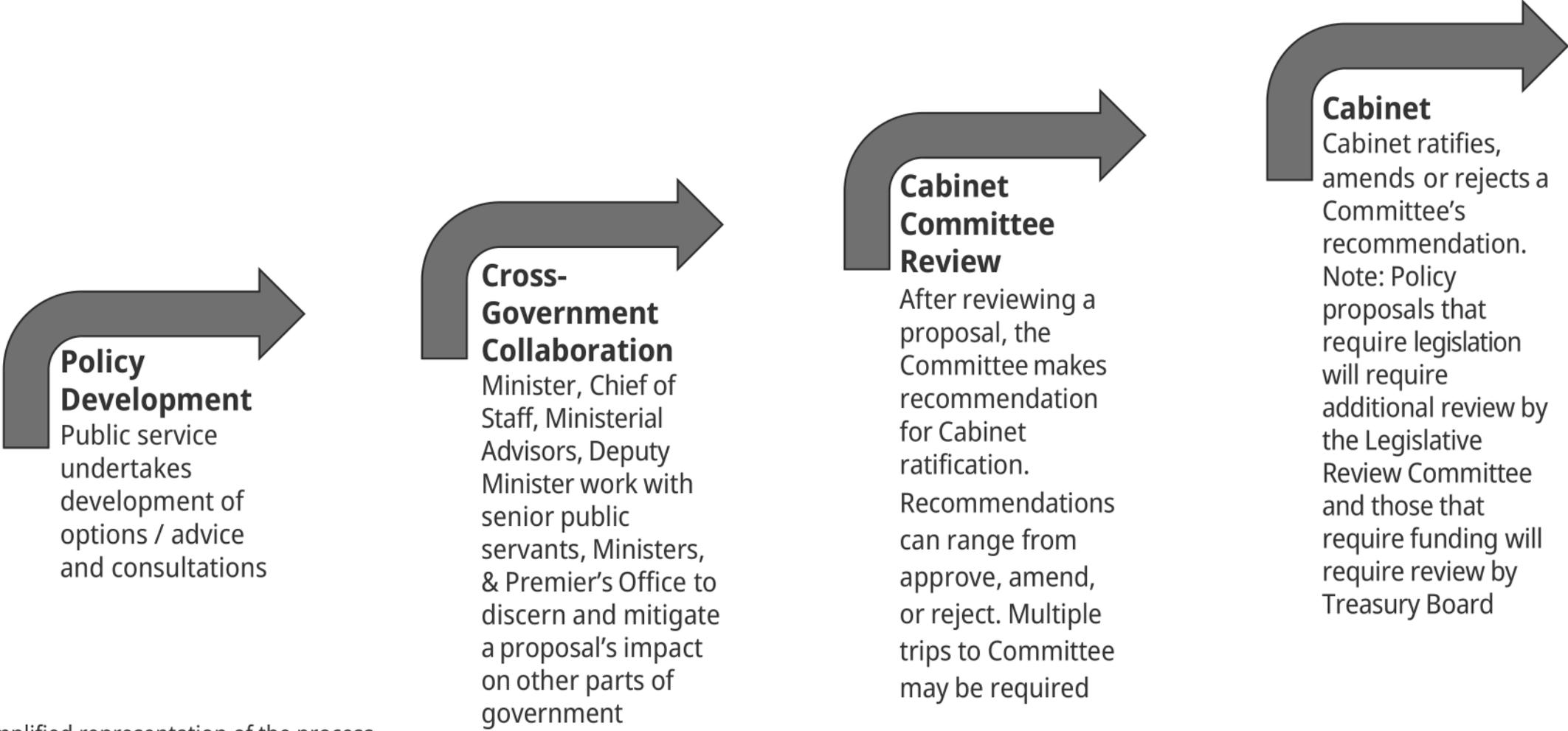
Cabinet considers and provides direction on legislative priorities and legislation.



Regulations / OICs

Cabinet considers and provides direction on regulatory changes, appointments and more through Orders in Councils (OICs).

Government Decision-Making: Key Steps*



*This is a simplified representation of the process

Mandate Letters

- Usually, Mandate Letters are issued to each Minister by the Premier and set out the expectations and deliverables regarding their portfolio and priorities for government as a whole
- Mandate Letters act as a guide for the Minister and Deputy Minister to follow in their day-to-day work, as well as the means for evaluating it
- How and when Mandate Letter deliverables are achieved is determined through collective decision making at Cabinet
- Any policy proposal that falls outside of the objectives set out in Mandate Letters requires approval from the Premier's Office to enter into the Cabinet review and decision-making process

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Advice/Recommendations

Cabinet and Cabinet Committees

- Policy or program proposals require formal Cabinet approval to proceed:
 - This process involves a Cabinet Submission, sometimes more than one, for review and decision
 - Policy and funding decisions are determined separately, through Cabinet and Treasury Board respectively
 - This process applies even if the item is listed in a Minister's Mandate Letter
 - The Deputy Minister to the Premier, in their role of Cabinet Secretary, is responsible for what advances into the Cabinet review process
 - The process and administration of Cabinet and Cabinet Committees is managed through the office of Cabinet Operations
- Cabinet and Cabinet Committees reach decisions through discussion and consensus
- Decisions are set out in minutes and are formally communicated to ministries through Records of Decision

Role of Cabinet Committees in the Review Process

- Prior to proceeding to Cabinet for decision, a submission may be vetted by a Cabinet Committee
- Practically speaking, Cabinet Committees help manage the high volume of items requiring decision so that Cabinet meetings can focus on the most significant, high-profile public policy issues
- Cabinet Committees are established by the Premier, by convention or by legislation
- Membership is composed of Cabinet Ministers and some government caucus MLAs. Each Committee is chaired by a member of the Executive Council (Cabinet)
- Cabinet Committees assess submissions and make recommendations to Cabinet, which the Chair reports out on at a full Cabinet meeting
- Cabinet can ratify, amend or reject the Committee's recommendation and Ministers are expected to leave Cabinet with a united voice

Cabinet Confidentiality



Cabinet Confidentiality

- The work undertaken by Cabinet and its Committees is and must remain confidential. This includes anything that would reveal the substance of Cabinet deliberations:
 - Cabinet and Treasury Board Submissions and supporting documents
 - Discussion around the Cabinet table
 - Attendees, agendas and dates that items are scheduled to come forward
- Cabinet is a safe place to talk frankly and emerge with one voice
- All Ministers, MLA Cabinet Committee members and their supporting political staff are required to uphold the confidentiality provisions under the oaths or confidentiality agreements they have taken:

Cabinet Minister	Oath for Member of Executive Council
MLA Cabinet Committee Member	Oath of Confidentiality for Committees of Executive Council
Ministers' Chiefs of Staff	Political Staff Oath Confidentiality Agreement for attending Cabinet & Committee meetings

Cabinet Confidentiality

- The requirement for Cabinet confidentiality prohibits direct and indirect disclosures outside of government – to stakeholders, lobbyists or the media
- Breaches in Cabinet confidentiality violate the collective responsibility shared by all Cabinet Ministers and can have serious implications for Government as a whole
- Confidentiality applies to Cabinet as an entity – individual ministers do not have the authority to waive it

Advice/Recommendations

Conflict of Interest



Conflict of Interest

- Ministers and political staff are required to avoid conflicts of interest
- Ministers must abide by the *Members' Conflict of Interest Act*, which prohibits acting in an official capacity if a conflict of interest or a perceived conflict of interest exists
- Similarly, political staff must abide by the conflict of interest requirements outlined in the Standards of Conduct for Political Staff
- There are three types of conflict of interest: real, potential and perceived
- A conflict of interest exists if an official power or an official duty or function is performed when the person knows that there is the opportunity to further a private interest
- A private interest does not include an interest that applies to the general public or affects a minister as a broad class of people
- **Effectively managing conflicts of interest is one of the primary ways that public confidence in the integrity of government is fostered and maintained**

Conflict of Interest Commissioner

- The Conflict of Interest Commissioner is an independent, non-partisan Officer of the Legislative Assembly who is responsible for independently and impartially interpreting and administering the *Members' Conflict of Interest Act*
- All Members of the Legislative Assembly are required to file a confidential disclosure statement with the Commissioner within 60 days of being elected, and after that, annually
- Once the contents of the confidential disclosure statement have been finalized, a Public Disclosure Statement is prepared, which contains most, but not all, of the information provided to the Commissioner
- The Public Disclosure Statement is filed with the Clerk of the Legislative Assembly and is available for public inspection

Records Management



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Records Management

- All records created are subject to the *Freedom of Information and Protection of Privacy Act (FOIPPA)*, whether they are considered transitory in nature or are related to government decisions
- These include both hard copy and electronic records (E.g., emails, texts, Post-It notes, notebooks)
- Records relating to government decisions need to be maintained by Ministers and Ministers' office staff
- Maintaining records does not equate to disclosure of records
- Records belong to government, not to individual members of Executive Council or political staff

Records Management

- Content related to Cabinet and Cabinet Committee deliberations cannot be disclosed under section 12 of FOIPPA
- Section 13 of FOIPPA provides a similar rule for policy advice or recommendations developed for a Minister
- Information and Privacy Analysts in the public service help with redacting content from records from records in accordance with FOIPPA as part of preparing responses to freedom of information requests
- Some records are proactively disclosed, including Minister's calendars and travel expenses

Records Management

- Deputy Minister Offices (DMOs) are responsible for the proper management of government records that reside in a Minister's Office and sign off on the final response packages for freedom of information requests
- DMO and Minister's Office staff should establish protocols regarding records management and responses to freedom of information requests
- Minister's Office staff should undertake training via the Corporate Information and Records Management Office related to records management, freedom of information requests, and protecting the personal privacy of individuals
- Specific executive training may be available via dedicated sessions in addition to online learning courses through the Public Service Agency
- **Staying on top of records management is key – any record you didn't need to keep but is still in existence is subject to FOIPPA**

