



To: General Purposes Committee

Date: January 25, 2002

From: George Duncan
Chief Administrative Officer

File: -

Re: **Preliminary Staff Comments on the Provincial Government Restructuring**

Staff Recommendation

That this report regarding the Preliminary Staff Comments on the Provincial Government Restructuring Program dated January 25, 2002 from the Chief Administrative Officer be received for information.

George Duncan
Chief Administrative Officer

Att. 1

Staff Report

ORIGIN

On Thursday January 17, 2002 the provincial government announced their three-year restructuring program. This program will result in a reduction of 11,700 staff positions and an average service cut of 25% to all ministries. Government spending will be reduced by \$1.9 billion or 8% over three years. Local government grants will be maintained at the \$130 million level in the next three provincial budgets. A summary of the proposed changes to the various ministries is attached as Attachment 1.

The purpose of this report is to provide some preliminary comments from staff on some of the potential implications to Richmond. Changes to the Health Ministries will be discussed in more detail in a separate report. At this stage it is difficult to assess the full impact of the changes as they will be phased over 3 years, and it is still unclear at this stage how the various ministries are going to adjust their service delivery models. It is also still unclear what will be in the Community Charter that is expected to be enacted in Fall 2002. However, given that the philosophical thrust of the Charter is to provide municipalities with greater autonomy and broader powers to provide services, it can be anticipated that there will be public pressure at the municipal level to provide some of the discontinued services.

The Provincial Budget and full service plans expected to be announced on February 19th will help to provide a bit more clarity on the changes. The key directions that will guide the development of the ministries' service plans include a move towards the exploration of alternative service delivery options along with a greater focus on setting performance standards, and the consideration of public/private infrastructure construction partnerships.

Staff will report back to Council with strategies for dealing with the challenges and opportunities of the recent restructuring as more information from the Province becomes available.

ANALYSIS

1. Potential Transportation Impacts

(a) Highway Improvements

Decreased funding for Ministry of Transportation (MoT) programs may impact the City through reduced MoT contributions and/or a requirement for increased local/regional contributions for highway improvements within the city.

Identified roadway improvements that may be effected include:

- upgrade of the Steveston Highway/Highway 99 interchange (including the widening of Steveston Highway west of No. 6 Road) and the construction of a new Blundell Road/Highway 99 interchange;
- further improvements to the Airport Connector; and
- improvements to the George Massey Tunnel.

(b) Transportation Grants

The elimination of transportation grants includes the provincial Cycling Network Program (CNP), which is a 50-50 cost-sharing program between the province and municipalities to support the construction of cycling infrastructure. Since the creation of the CNP in 1995, the City has received around \$700,000 from the program towards the construction of various cycling routes in the city, such as Garden City Road (Williams Road to Granville Avenue) and Williams Road (No. 1 Road to No. 5 Road). Elimination of the CNP will result in higher costs to the City. The immediate impact of the funding cut is the deferral of the extension of the Westminster Highway Bike Route from No. 7 Road to No. 8 Road, originally planned for 2002.

(c) Regional Participation on Funding Transportation Improvements

A major initiative of the MoT is the creation of regional transportation committees/authorities that will initially provide input to a provincial integrated transportation plan and identify priorities for maintaining the road system. Committee responsibilities will increase over time, leading to the formation of regional transportation authorities, such as TransLink for the Greater Vancouver area. A potential effect of this initiative is further downloading of existing MoT responsibilities (e.g., road and bridge maintenance) to municipalities, the implications of which are twofold:

- significant increase in road operating, maintenance and rehabilitation costs; and
- in some situations, the inability of municipalities to provide adequate maintenance due to the lack of expertise and proper equipment. The Knight Street corridor, which is now under the jurisdiction of Richmond, is an example of the consequences of having a freeway-type provincial facility downloaded to a local government.

(d) Rapid Transit

Decreased funding for transportation improvements suggests that the Province would be unlikely to make a major contribution towards the funding of a Richmond/Airport-Vancouver rapid transit system as it did for the Millennium Line. Conversely, the ministry's major initiative to pursue private sector investment for the delivery of new infrastructure may be beneficial, as a recent review of the project concluded that it has significant potential to attract private sector funding.

(e) ICBC

While the recent provincial government announcement referred to the restructuring of provincial ministries, the core review also encompasses Crown corporations. ICBC currently partially or wholly funds a number of road safety programs in Richmond, such as the Road Safety Improvement, Enhanced CounterAttack, Intersection Safety Camera and Targeted Traffic Enforcement Programs. Over the past several years, the City has received an annual average of \$1.1 million in funding from ICBC in support of road improvement and enforcement programs. The City also benefits indirectly from the funding ICBC provides to local schools and community groups in support of road safety educational programs.

The loss of these programs could impact the City both socially, through increased personal injuries/fatalities and property damage via potentially higher traffic accident rates, and financially, due to the loss of external funding to support road safety improvements and programs. In turn, the loss of funding would result in the City's road safety initiatives taking longer to be implemented.

2. Potential Environmental Impacts

Much remains uncertain with respect to what service changes will occur as a result of the recent provincial government budget cuts. Ministry staff indicate that there will be definitive changes but what these changes mean remains very unclear.

However, we do know that the Ministry will be placing less emphasis on the delivery of services and technical advice, as it moves into a new direction of establishing overall benchmarks and auditing. That is, except for high-risk incidents, it appears that the Province will no longer be providing environmental protection services at the site level. As a result, a valuable technical resource on environmental protection will no longer be available to provide technical support and management for many of the environmental issues in Richmond. Strategies will need to be looked at to either filling this void or accepting a reduced level of service in environmental protection. If Richmond chooses to assume an increased role in providing this service, either a greater technical capacity would need to be developed in the organization or the retention of consultants will be necessary.

(a) Potential Impacts on Specific Environmental Service Areas

Contaminated Sites

- Business as usual for the short-term (@ 1 year or so) – no substantial resource cuts have occurred in this area to date.
- However, during this time, a complete review will be conducted on the entire Contaminated Sites process – this will include a review of enacting legislation. (E.g., Waste Management Act as it pertains to Contaminated Sites and the Contaminated Sites Regulations) and related provincial policies and procedures (technical and administrative).
- High-risk contaminated sites will continue to be permitted. It is unclear how low and medium risk sites will be managed. It is likely that the Province will be looking for the private sector to do more in this area. It is unclear how or if the Province will monitor remediation of medium-risk sites. Discontinued permitting for the low and medium risk waste management sites may need to be scrutinized by the City because operators may become more lax.
- A reduced role by the Province in advising and managing the remediation of medium risk sites means there would be no external agency review for these cases. Ensuring that the environment is adequately safeguarded and that proponents are fulfilling their obligations may mean that the City of Richmond would need to provide the necessary technical oversight (either with internal resources or through contract) and management process.

Pollution Prevention: Spill Response

- The Province will not be responding to low-risk environmental spills. Accordingly, more reliance will be put on local government to respond. The Province will continue to respond to high-risk environmental spills.
- The City will need to provide management and technical resources for responding to spills. In the past, the Province has acted as the external government contact who would communicate to all other relevant agencies, including Department of Fisheries. The City of Richmond will now have to assume this function and advise/negotiate with all appropriate agencies directly.

Pollution Prevention: Environmental Permitting

- The Province will continue to permit and inspect high-risk industrial and municipal discharges. However, low/medium-risk discharges will be managed in accordance with guidelines and regulations. It is unclear, how the Province will ensure that low/medium discharges meet the stated requirements.

Habitat Protection/ Development Reviews

- The Ministry will no longer be providing services for operational planning, referrals regarding wildlife, fish and habitat or response to low-risk human-wildlife conflicts.
- It is unclear about the Ministry's future role in the FREMP (Fraser River Estuary Management Program) process. Presently, the Province is a member of FREMP and it provides input into area designations and development reviews along the Fraser River foreshore. The Province has committed to FREMP for the next year but its commitment following 2002 is uncertain.
- The **Streamside Protection Directives Regulations** are presently being reviewed. A report by a multi-sectoral task group has prepared a draft review paper that is currently being finalized. This report contains recommendations for changes to the current regulations and will be provided to the Minister's office. A decision will then be made in cabinet on the appropriate course of action. It is uncertain on the timing of the cabinet decision. It is also uncertain on whether the SPDR will remain.
- In the Ministry briefing it is stated that drinking water will be improved by amending the Drinking Water Protection Act. It is unclear how the act will be amended. However it may raise the costs of supplying water to citizens.

Floodplain and Dyke Management

- The Province is seeking increased local government control over low-risk floodplain and dyke management. This may mean that local government will assume more liability for the administration of development within the flood plain. It is also uncertain what will happen to the cost sharing grants with the Province for dyke upgrades and repairs. In the past, Richmond has received grants of up to \$350k for this work.

3. Potential Social Impacts

(a) Affordable Housing

- Richmond can expect significant changes to the scope of housing programs and how they are delivered.
- There will probably be no more provincial housing programs which target family and children, but rather seniors supportive housing and assisted housing
- While we recognize the need for more targeted programs, the possible absence of a housing program for family housing should raise some questions re: ability of young families in need to live in Richmond.
- Also, the Province will be looking for stronger "partnerships" with local government to get affordable housing projects built.
- This will mean more contributions by local government beyond Richmond's current practice of acquiring properties and leasing them back to non-profit groups.
- The Province will be looking for stronger financial contributions.
- This has an implication for Council to consider in terms of how it wants to support and facilitate affordable, non market housing projects in the City.
- It also raises questions related to how Council wants to use its existing assets (i.e. land) and the Affordable Housing Statutory Reserve Fund.
- It raises questions related to the longer-term sustainability of the City's Affordable Housing Reserve Fund.

(b) Children, Youth and Family Services

The Province is emphasising more community-based delivery of services, which may mean more grant requests and for Richmond to develop preventive programs to support "high risk" individuals and families. Some of the key areas that could impact Richmond include:

- Changes to adult community and independent living programs could cause pressure for more group homes.
- Reductions in BC Benefits entitlements, including reduced shelter allowances, tightened eligibility requirements, and application processing time may all increase: the demand on local services offering poverty/counselling/crisis interventions (e.g., Richmond Food Bank, Chimo Crisis Centre, Family Services); the need for affordable housing, and the need for homeless shelters.
- Refugees will be no longer eligible for BC Benefits, increasing demand on local services to immigrants/refugees, e.g. Richmond Women's Centre, Richmond Multicultural Concerns Society
- Tightened eligibility requirements for Child Care Subsidy could increase the difficulty of finding affordable child care and increase the demand for unregulated child care facilities.
- The elimination of the BC Seniors Supplement, Bus Pass program and cut-backs to the Senior Citizen Counsellor program may increase the demand for local poverty/counselling/crisis interventions, and increase the need for centrally located, seniors affordable housing.

(c) Liquor Policy

As part of the restructuring program, there will be changes to the Liquor Policy. To date, all that is known is that the number of license categories will be reduced, and local governments will have a stronger role in determining the number of bars and pubs in a municipality based on community need. Provincial staff will be redirected to focus on enforcing public safety issues such as the serving of minors.

4. Potential Impacts to Recreation and Culture

Some of the impacts envisioned at this stage include:

- Currently there are approximately 15 students hired each year to run summer programs. With the Student Summer Works Program discontinued, a decision will need to be made whether these summer programs are cut, or fees are increased which will affect the accessibility.
- Presently the City receives funding for the Night Shift Program which serves between 100- 120 youth on a weekly basis. It is uncertain whether or not funding will be continued.
- The Province will be increasing funding to the BC Arts Council to promote and support BC arts, music, artists and culture. This could create some opportunities for Richmond especially since we are in the process of developing a community arts strategy.
- The BC Heritage Trust's role and mandate is being reviewed which could affect restoration grants.
- It is uncertain whether programs that are operated in partnership with Health such as the Senior Wellness Co-ordinator who provides many health-related programs such as Slips, Trips and Falls, and Cardio Rehab will be funded.
- Local School Districts are being asked to be more entrepreneurial. This potentially could lead to more partnerships or less community access to schools.
- There may be opportunities for grants in the area of wellness given that the Province is developing a new provincial prevention and wellness strategy.
- At this time it appears that Richmond libraries will continue to receive their grant (approximately \$315 k per year). The production and distribution of audio books will either need to be discontinued or absorbed by local libraries.

5. Potential Economic Impacts

With the restructuring program the Province is promoting an "open for business" position. The Province will assume a new role of being a "marketer" as opposed to being a financier, or builder. As such, direct subsidies to businesses will not longer be provided. There will be increased emphasis in technology, IT and science. As part of their restructuring, the Province will support the **2010 Olympic bid**, and also change **gaming policies**.

There will be changes to the **Agricultural sector** including the Agricultural Land Reserve which will have a direct impact on Richmond. The Province has committed to developing an Agriculture strategy. As part of this strategy, some non-farm uses may now be permitted in the ALR in order to diversify and stabilize local economies. These changes will allow local governments to have more discretion on making land use decisions in the ALR if they choose to. As a result, referrals to the commission on minor applications and subdivisions will be eliminated. The strength of Richmond's ALR control will still reside with the OCP and the Zoning Bylaw. These anticipated changes potentially will have implications for the MOT lands. As part of the changes it has been stated that: the Province will do less farm research; farm partnerships will be emphasised; the right to farm legislation will be strengthened, and the Province will promote non-farm and value added activities in the ALR. Increased unsightly complaints from non-farming neighbours may occur in Richmond with the strengthening of the right to farm legislation.

Strategic shifts in the mandate for the **BC Assets and Land Corporation** will occur with an expanded role for local governments to manage some properties and reserves through voluntary agreements and the Community Charter. There will also be a shift towards expanding the marketable inventory of land to be sold by Province. Once more details are known from the Province, further analysis will be necessary to assess the full impact, because this could affect Richmond water lots and sites such as Bridgeport Market. The proposal in the Community Charter to transfer all freehold titles of roads to local governments will be beneficial to the City because this will allow Richmond to directly sell or develop any unused portion of road without having to go through lengthy approvals from the Province.

There is a high probability that the Safety Engineering Services section of the Building Policy Branch will be re-organised to provide only a policy development function. If this happens, the following field inspections will be impacted: high pressure gas installations; boiler and pressure vessel installations; elevators and electrical installations. It is not known whether these functions will be assumed by a newly created independent safety agency or offered for municipal delivery. There is also reference to the review of the **Homeowner Protection Office** which may download some of their functions to the City. In addition the Province will be developing a plan to deal with the **leaky condominium problem** which will undoubtedly have an impact on Richmond's building approval services.

6. Potential Public Safety Impacts

(a) Police

Some of the potential impacts to the RCMP noted at this time include:

- The Province is proposing to have increased use **out of court options** including community-based programs for some minor offences. This change may reduce court time particularly the new traffic dispute mechanism. Richmond RCMP are currently preparing a report which outlines what restorative justice program model is best suited for our City. They anticipate that there will be some increase in activity for officers and staff depending upon the model chosen.
- As part of the process, victims have the opportunity to be directly involved in process. The Youth Intervention model could be included as part of the program.

- The Province is has committed to fund **additional technology** which will enable law enforcement agencies to communicate more efficiently amongst themselves and also with other enforcement agencies such as Customs and Immigration. RCMP anticipate significant gains in the efficiency of identifying criminals with this announcement.
- The Province will be eliminating the **Crown Victim Assistance Program**. Grants for the Richmond's Police Victim Services Program are currently received. Staff are unsure at this point whether the grant will be discontinued. If the grant is discontinued, an alternative service delivery would need to be investigated.
- The Province will be **reducing Crown Counsel staff and close 24 of the 68 courthouses** including one in Delta. Richmond will only be affected indirectly from the courthouse closures. Given that some minor offences will be dealt with using out of court options, Richmond RCMP do not believe any significant staffing or financial impacts will occur.
- The Province will support the **Auxiliary Police Program** (volunteers) and add a new armed reserve program (part-time police). Richmond RCMP believe that the new Auxiliary Program will be a great asset to Richmond for policing special events and for covering short term vacancies.

(b) Fire Rescue

Some of the potential impacts of the Provincial restructuring identified at this early stage include:

- The **reduction in the number of paramedics** through attrition could impact Richmond Fire Rescue as it may increase the demand for responses to medical aid and low priority calls. These changes may also increase the time spent by fire fighters at the calls.
- **Increased training costs** could occur with the anticipated cuts to the Justice Institute.
- The proposed **streamlining of provincial codes** and the relocation of inspection/certification services to an independent safety agency could result in downloading of inspections and technical services to the municipal level.
- The provincial support of public education services may no longer be available from the Fire commissioner's office.

(c) Emergency Preparedness

The Provincial funding for City staff and volunteers to take Emergency Management training courses at the Justice Institute is being discontinued. These courses cost approximately \$15,000 to \$20,000 per year. Prior to the cuts, the City only covered meal and mileage costs.

7. Potential Human Resources Impact

The Labour Board will be streamlining some of the processes and potential user fees for services such as mediation. This new direction could potentially result in a more efficient and improved process. Changes to WCB will be announced in mid-February. It is anticipated that the changes will be aimed at reducing bureaucracy.

The Industry Training and Apprenticeship Program will be disbanded. It appears that this function will be moved to the private sector, but the details are still unclear. The concern with this change is that Richmond currently has employees that are in the middle of this program.

FINANCIAL IMPACT

As part of their restructuring plan, the Province reiterates their commitment to "outlaw off-loading of provincial government costs onto the backs of local taxpayers". It is also stated that local government grants will be maintained at \$130 million over the next 3 provincial budgets. Without the sufficient details, it is difficult at this point to assess what the full financial impact on Richmond will be.

CONCLUSION

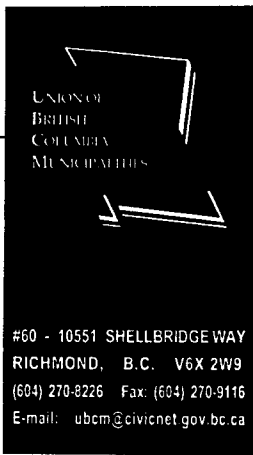
The Province has recently unveiled a three-year restructuring program aimed at stimulating economic recovery in BC. This report provides some initial staff comments on the potential impacts of the restructuring program. Strategies for dealing with the restructuring will be forwarded to Council, as more information from the Province becomes available.

A handwritten signature in black ink, reading "Lauren Melville". The signature is written in a cursive style with a large initial 'L' and a decorative flourish at the end.

Lauren Melville
Manager Policy & Research

IN THE HOUSE

Released January 18, 2002



Major Provincial Government Restructuring Implications for Local Government

On Thursday January 17, 2002 the provincial government announced details of the three-year restructuring program that will result in a reduction of the government workforce by 11,700 over the next three years with an average service cut of 25% over all ministries, with some as high as 50%. Total government spending will be reduced by \$1.9 billion, an 8% decline over three years.

The purpose of this circular is to identify the government's announcements that may be of significant interest to local government. The overall reductions in Ministry budget and full time employees (FTEs) are highlighted.

As an example, it is important to note that local government grants will be maintained at the \$130 million level in the next three provincial budgets.

AGRICULTURE, FOOD AND FISHERIES

Overall Reductions:
 Operating Budget 44.8%
 FTEs 17.2%

- Programs Eliminated:**
- wind up Fisheries Renewal BC by March 31, 2002
 - wind up Rural Development Office
 - eliminate grants in support of BUY BC, BC wine industry, Women's Institutes, BC Agriculture Council and BC fairs and exhibitions (2003/04)
 - close 6 district offices by March 31, 2003 (Courtenay, Creston, Dawson Creek, Vanderhoof, Sidney, Smithers) and the Vancouver Office
 - discontinue prescriptive regulation
 - discontinue Grazing Enhancement Fund program by March 31, 2002
 - eliminate development grants by 2002/03
 - eliminate Shellfish Aquaculture Working Capital Fund by 2002/03

- Major Initiatives:**
- negotiate with Ottawa for provincial control over the management and revenues of BC offshore fisheries to improve fisheries and protect jobs
 - develop a plan to renew the fisheries

- industry
- examine ways to improve the financial viability of the aquaculture sector
 - examine the potential for growth of the aquaculture sector and make recommendations

ATTORNEY GENERAL AND MINISTER RESPONSIBLE FOR TREATY NEGOTIATIONS

Overall Reductions:
 Operating Budget 14.7%
 FTEs 12.6%

ATTORNEY GENERAL

- Programs Eliminated:**
- Crown Victim Assistance Program
 - Family Advocate Program
 - Debtor Assistance Program

- Reduction in Services:**
- 24 of the 68 court houses in the province will be closed;
 - substantial reductions in the funding available for legal and family law and poverty law programs;
 - number of community legal aid offices will be closed;
 - Ministry will close its Vancouver executive office.

- Reviews:**
- Program of civil, administrative and private law reform
 - Reforms to the Election Act and related legislation
 - Risk management strategy to reduce the government's exposure to liability and costs of litigation.

TREATY NEGOTIATIONS OFFICE

- Highlights**
- TAC funding eliminated effective April 1, 2002
 - 51 of 125 positions cut, TNO completely re-organized and consultation units eliminated

Excerpts and details

Shift focus away from complex comprehensive treaties to an approach where treaties are built over time through the negotiation of land, resource and governance arrangement.

Treaty negotiating units will be restructured to provide maximum flexibility in assigning priorities and resources. Shifting from regional treaty negotiation teams to "file" based teams drawn from a common pool.

Funding for advisory committees will be eliminated including local government Treaty Advisory Committees (TACs) which to date have been cost shared by the province and local governments. Funding

for Regional Advisory Committees (RACs, representing third parties interests regionally) and the Treaty Negotiation Advisory Committee (TNAC, representing third party and local government interests in province wide policy issues) will also cease. Consultation responsibilities will be moved directly to the negotiating teams and will be conducted strategically at local and provincial levels.

Operational funding for the BC Treaty Commission will be reduced.

Key Projects:

- facilitate the development of public/private partnerships involving First Nations, business and local government
- following the referendum, the Office will implement the results and develop negotiation options on how to deal with the land question and governance arrangements
- Economic Measures Fund established to allow proactive response to First Nations issues and disputes
- deal fairly with legal interests impacted by negotiations

COMMUNITY, ABORIGINAL AND WOMEN'S SERVICES

The Ministry's three-year service plan sets out its mission, strategic shifts, core business functions and major initiatives. The latter are set out in terms of "continue, discontinue or deliver differently" for the five core functions. Many of the Ministry present functions are to be continued, such as:

- local government transfers;
- public library services;
- Fire Commissioner, building and safety codes;
- subsidized housing (for which funding will increase from \$131 million to \$148 million over 3 years); and
- BC Arts Council.

The Ministry will be discontinuing:

- community enterprise, cooperations and volunteers in the coming year;
- audiobook program in the next year;
- grants to BC Festival of the Arts this year;
- possibility of reduction in number of government agents offices (may be addressed by alternative service delivfers).

The Ministry will be delivering differently:

- safety engineering services by moving to an independent agency
- Heritage Trust
- Heritage properties – with devotion to non-profit organizations or community partners.

Some of the Ministry three-year projects are to:

- complete and implement the Community Charter
- improve relations with local governments
- with UBCM, establish a process to review regional governance structures
- review Homeowner Protection Office
- rationalize the regulation of the housing/construction industry and develop a plan to deal with the immediate "leaky condominium" problem.

They also reiterate their commitment to "out law off-loading of provincial government costs onto the backs of local property tax payers".

COMPETITION, SCIENCE AND ENTERPRISE

Overall Reductions:	
Operating Budget	36%
FTEs	64%

Key themes of interest to local government remain:

- elimination of inter-provincial trade barriers;
- use of public corridors to leverage communication growth; and
- cut regulations by one-third within three years.

ENERGY AND MINES

Overall Reductions:	
Operating Budget	40%
FTEs	38%

Programs Eliminated:

- Prospectors Assistance Program
- 6 regional operations will be consolidated into one central location (Oil and Gas Commission will remain in Fort St. John).

The ministry will:

- enhance and develop single window permitting regime for oil and gas production, mining and mineral exploration
- streamline regulation and implement an effective, industry-specific royalty regime to facilitate accelerated growth of the coalbed methane industry
- issue and administer titles to mineral and energy resources
- implement recommendations of the Energy Policy Task Force
- implement government policy decisions on offshore oil and gas
- regulate the mining sector to ensure public and worker health and safety, and environmental protection
- market and promote BC's resources to domestic and international markets
- continue to regulate the mining sector with respect to health and safety and environmental protection. BC Oil and Gas Commission will continue to regulate the oil and gas industry
- move to electronic application, permitting and map staking

New Era Commitments included in its Service Plan:

- oppose the Sumas 2 power project and phase out Burrard Thermal
- protect BC Hydro and all its core assets, including dams, reservoirs, and power lines under public ownership
- restore independent BC Utilities Commission, to regulate BC Hydro rates
- encourage job creation through independent power production projects.

FORESTS

Overall Reductions:	
Operating Budget	35%
FTEs	35%

The following programs will be eliminated over three years:

- maintenance of recreation and trail sites will be transferred to other agencies and organizations or closed by March 31, 2005
- closure of 2 seed orchards and offer the remaining 6 seed orchards for lease or sale to the private sector and the 2 Forest

Service nurseries will be privatized or closed.

- no longer provide cost-free firefighting services to protect non-government assets and interests; services will be on a user-pay basis.

All Forest Services Offices will be downsized and some will be closed with substantial restructuring and downsizing of the Victoria offices.

Major initiatives identified include:

- move tenures to a defined forest area management model which will place increased responsibility on license holders for forest health and silviculture activities
- government and industry will continue to work co-operatively on bark beetle infestation
- implement more cost effective fire protection model in co-operation with forest companies, other industrial users, municipal governments and others
- move to results-based Code relying on professional and company accountability
- licensees will provide timber supply analysis and public consultation for areas under a defined forest area management model
- enhance compliance and enforcement regime to support the results-based Code, as well as protect the provincial revenue under the new tenure and timber pricing regimes (Ministry will contribute annually an estimated \$1.2 billion to the Consolidated Revenue Fund)
- develop and implement international marketing initiatives
- implement market-based pricing system
- make Small Business Forest Enterprise Program more effective
- reform tenure arrangements to curtail market interventions by government.

HEALTH PLANNING

Overall Reductions for Health Services and Health Planning are:

Operating Budget	0.1%
FTEs	24.0%

The Ministry's New Era commitments achieved or in progress include:

- expand training programs for care aides.

licensed practical nurses and registered nurses, in collaboration with universities, colleges and institutions

- develop a Rural and Remote Training program that provides forgivable loans to BC students attending accredited nursing and medical schools who agree to practice in a rural or remote community in BC
- introduce a Rural and Remote Training Support program that provides financial and travel assistance to health care providers who want to update or upgrade their skills and training
- repeal legislation that allowed government to expropriate community health facilities without compensatingly utilized and properly maintained
- work with Health Services to develop a planning framework for mental health, intermediate, long term and home care
- increase locum support to relieve pressure and reduce workloads to enhance health care professionals' quality of life
- intensify efforts to promote wellness and preventative care through better education, dietary habits and physical activity
- ensure that appointees to regional health boards are representative of their communities; needs and accountable for their performance in meeting provincial health standards

Regional Hospital Districts will be interested in the following:

- develop a Hospital Facilities Plan that identifies each health region's key capital requirements and funding priorities
- develop a Medical Machinery and Equipment Plan that ensures existing medical diagnostic and care equipment is adequately staff, fully utilized and properly maintained and that provides for future investments in new equipment and technologies
- develop and Intermediate and Long Term Care Facilities Plan that addresses the needs of our ageing population and frees up existing acute care beds
- replace obsolete hospital and ambulance equipment and ensure all equipment is fully utilized and properly maintained

HEALTH SERVICES

Points of interest in health services are:

- health authorities reduced from 52 to 6. Creation of new Provincial Health Services Authority to work with Regional Health Authorities
- spending \$6 billion in 2002 in one-time expenditures to reconfigure health facilities to suit regional health strategy
- 3-year rolling funding commitments (updated annually) for hospitals and health regions.
- reduction of corporate infrastructure across regions
- reduction of laboratory capacity
- provision of services using alternate service delivery methods and private/public partnerships
- Addiction Services and advice to individuals with development disabilities transfer to Health Authorities
- BC Hearing Aid program and technical support discontinued
- elimination of Ministerial advisory committees
- protect funding and access to abortion services
- Home and Community Care/Mental Health Plan (mental health initiative proposed \$125 M) to be implemented over 5 years
- provide expanded home care and palliative care, ensuring these individuals have access to same pharmaceutical benefits as hospital patients
- work with non-profit societies to open 5000 new intermediate and long-term care beds by 2006
- initiate Rural and Remote Health Initiative
- increase IT funding and support for telehealth and distance care
- fees for non-health care costs of home and community care based on user ability to pay

Emergency Health Services

- Some reduction in program management staff
- Reduction of paramedic staff through attrition
- Redirect low priority emergency calls to other resources
- Eliminate non-emergency patient transfer services, promote use of alternate providers
- Provide better access to training and equipment needed for ambulance attendants

Medical Services Plan

- Continue payments for physician services
- Funding for many supplementary benefits (eg. massage therapy, chiropractics) will be discontinued except for low-income clients
- Eliminate coverage for routine eye exams for adults (19-64 years)
- Closure of Victoria and Burnaby in-person client service offices
- Implementation of outcome of the physician arbitration process expected to conclude in Spring 2002

Pharmacare

- Seniors to pay greater portion of drug costs, up to \$275 per year or \$200 maximum for seniors on premium assistance
- Family deductible increased to \$200
- Income testing will determine new cost/coverage measures, effective Jan 1/03
- De-listing of some drugs
- Home oxygen program devolved to Health Authorities

Capital Financing

- Some previously announced projects or those in planning stages under review (6 months timeline)
- Limited one-time capital funding to convert existing facilities to uses consistent with regional priorities
- Health authorities responsible for debt servicing and operating costs for new capital projects
- Explore options for private sector or non-profit partnerships

HUMAN RESOURCES

Overall Reductions:	
Operating Budget	30%
FTEs	15%

Programs Eliminated:

- Bus Pass subsidy to senior citizens
- Senior supplement will be phased out
- Hardship Assistance in certain circumstances (i.e. person quits job voluntarily, refugee claimants)

Program Reductions/changes:

- 36 of the ministry 162 offices will be closed

- new streamlined appeal process based on independent regional tribunals - will replace the BC Benefits Appeal Board
- new BC Employment and Assistance legislation will focus on assisting clients to find employment - employment programs will be performance based
- eligibility requirement will be reduced and income assistance payments will be reduced

MANAGEMENT SERVICES

Overall Reductions:	
Operating Budget	34%
FTEs	18%

Programs Eliminated:

- Equal Opportunity Secretariat
- Information Technology Career Access Office

Ministry focus:

- developing a model and new agency for delivering shared support services for government's internal operations - payroll services, human resources, etc.
- assessing tools to support open and fair tendering of government contracts and procurement
- reviewing the Freedom of Information and Protection of Privacy legislation

PUBLIC SAFETY AND SOLICITOR GENERAL

Overall Reductions:	
Operating Budget	10.7%
FTEs	21%

Programs Eliminated:

- Vancouver Pretrial Services Centre will be closed
- Burnaby Correctional Centre for Women will be closed
- Community contracted drug testing and alcohol drug programs
- Funding for delivery of Criminal Documents services will be eliminated (\$25 paid to local government/police to deliver court documents)
- Flood protection program, which provides

grants to local governments for flood prevention, will be eliminated in two years

Reduction in Services/Costs:

- 8 open and medium correctional centres will be closed
- 5 community probation offices will be closed (Hope, Kitimat, Parksville, Sidney, 100 Mile House)
- 2 of 9 Coroners offices will be closed (Victoria, Fraser Valley)
- 2 residential tenancy offices will close (Nanaimo, Vancouver)
- Reduce costs by 50% to the Keep of Prisoners Program (provincial prisoners in local police lock-ups)
- Reduce contracts for Alternative Measures (alternatives to formal court process)
- Criminal Record Review Program will recover costs from agencies whose employees work with children
- The following sectors will move to self-regulation - motor dealers, travel services, private investigators

The ministry service plan indicated that it will be undertaking action in the following areas:

Gaming

- develop comprehensive gaming legislation, policies and standards to protect the public interest;
- simplify rules governing the distribution and use of gaming proceeds, and remove conditions that unnecessarily restrict the ability of charities to access or generate gaming funds.

Liquor Policy

- strengthen the role of local government in determining the number of bars and pubs based on community need;
- reduce the number of categories of licences and focus staff resources on enforcing public safety issues such as the service of minors, overcrowding and over service.

Police Services

- develop a 5 year plan for the provincial police force;
- review costs of and funding for policing communities under 5,000 and rural areas in cooperation with the Ministries of Finance, Provincial Revenue and Community, Aboriginal and Women's Services;
- support the auxiliary constable program

(volunteers) and develop a new armed reserve program (part time officers) in cooperation with RCMP.

SUSTAINABLE RESOURCE MANAGEMENT

Overall Reductions:	
Operating Budget	36%
FTEs	36%

The Ministry's strategic shifts, core business areas and service delivery roles of interest to local government have been outlined as follows:

Strategic Land-use Planning

- completion of LRMPs for Central Coast and Sea to Sky (March 2003); Morice, North Coast and Queen Charlotte Islands (March 2004)
- complete landscape plans for some 90 of the 120-125 units with a focus on sustainable economic development. (March 2005)
- complete coastal plans for shellfish and finfish aquaculture sites for Vancouver Island, North Coast, Sunshine Coast and Queen Charlottes (March 2004)
- develop a working forest land base; implement Living Rivers Strategy with Water, Land and Air Protection Ministry; and determine feasibility of 20 year plan for infrastructure rights of way.

Integrated Land and Resource Information

- move to streamlined access to information databases, electronic filing of land titles and surveys
- registration of archaeological sites with Land Titles Offices

Sustainable Land and Water Management

- develop sustainability principles as part of a sustainable resource management strategy to ensure a clear interpretation of the government's policy on the appropriate balance between economic, environmental and social objectives
- reduce the backlog of water licence applications and crown land applications
- review the pricing policy for land and water resource use
- move to an improved regulatory frame-

work that uses performance-based standards

- reduce the number of regulatory requirements to streamline decision-making and increase opportunities for economic development
- develop a plan to resolve land and water use conflicts between ministries and external interests.

Sound Governance and Organizational Excellence

- performance-based regulations, sustainable and balanced resource management based on sound science-based allocation principles

The Ministry will be discontinuing or delivering differently:

- funding will no longer be provided for four community resource boards after March 2002.
- reduce the number of regional land title offices
- minimize the provincial role in water utility regulation by transferring appropriate regulatory authority to regional and local
- transferring responsibility for ensuring the quality of land surveys to the land surveying profession.

BC Assets

Key projects in their coming year plan include:

- eliminate backlog of land and water applications
- redesign application process for both land and water reducing turn around times
- provide faster approvals and greater access to land and water resources
- streamline consultation with local and federal governments
- devolve water utility regulation to appropriate authorities and increase self-regulation of strata-based and resort utilities

Land Reserve Commission

The mission, strategic shifts and core business areas reflects decisions taken at the January 16th Open Cabinet meeting. These are:

- elimination of Forest Land Reserve and to be incorporated in to working forest initiative; and move to a results-based forest practices code;

- ALR is retained with the creation of:
 - six regional panels with regional appointees;
 - voluntary delegation of subdivision/non-farm use to local government;
 - range of uses permitted in ALR will be expanded; and
 - new dispute resolution process

TRANSPORTATION

Overall Reductions:	
Operating Budget	+ 1%
FTEs	61%

Amalgamation of the Lower Mainland and Victoria Highways offices.

Key themes in the service plan are:

- creating an integrated transportation plan by the end of 2003
- private sector involvement
- partnership with regions that will begin with the establishment of regional transportation committees to advise on the provincial transportation plan. Committee responsibilities will be broadened over time to the creation of regional transportation authorities.

Of special interest to regional districts is the Ministry move to implement streamlined "one-stop" rural sub-division approvals process to replace the current practise where land development proposals outside of municipal areas are referred to several ministries agencies before a permit is issued. Fees will be adjusted to cover costs. The responsibility of the rural subdivision approvals process will be offered for transfer to regional districts.

WATER, LAND AND AIR PROTECTION

Overall Reductions:	
Operating Budget	24%
FTEs	31%

The ministry indicated that its focus in the future will be on:

- developing clear environmental standards and performance expectations
- monitoring and public reporting

- ensuring positive compliance with expectations
- providing professional and corporate enforcement service where required
- shared stewardship – sharing responsibility for the environment with others as appropriate
- economic development based on clear, reasonable outcomes, with discretion as to how to achieve the outcomes.

The ministry has indicated that it will continue to deliver services, such as the following:

- airshed planning framework
- high-priority monitoring and reporting on air, surface water and groundwater quality
- permitting and inspections of high-risk industrial and municipal discharges and high risk contaminated sites
- development of provincial biodiversity strategy
- park management planning
- protection for priority fish and wildlife habitat
- hunting, and angling authorizations
- facilities for camping and recreation in designated parks.

The ministry has indicated that fewer staff resources will be directed to:

- low-medium risk pollution sources, which will be addressed through guidelines and regulations
- providing advice to industry and local government on habitat and ecosystem protection, and to directly protecting habitat and species where risks are relatively low
- providing services where recreational use is low or where costs cannot be recovered (cost recovery will be largely dependant on the management/resourcing model adopted for parks, and hunting and fishing)

The ministry has indicated that it will discontinue the following:

- permitting for low/medium risk waste management sites which will be subject to guidelines and regulations
- response to low-risk environmental spills
- operational planning and referrals regarding wildlife, fish and habitat
- freshwater fishing industry development

- grants, partnerships and advice
- response to low-risk human-wildlife conflicts
- Environmental Youth Team
- camping and recreational facilities in lower use parks
- charging less than market rates for park services.

The ministry has indicated that it will deliver the following environmental measures in a different way:

- simplify environment regulations and standards, especially for low and medium priority operations
- improve drinking water protection
- undertake a comprehensive review of contaminated sites administration
- improve and expand product reuse and recycling (e.g. tires, batteries)
- increase local government control over low-risk floodplain and dyke management
- harmonize with federal government on protection of species at risk and streamprotection measures
- implement integrated Living Rivers Strategy for protection and restoration of watersheds
- implement area based planning for protection of species and habitats
- involve local communities in protection and restoration of local ecosystems
- develop new funding and management approach for fish hatchery operations
- increase opportunities for commercial recreation service delivery in appropriate parts of the park system
- increase local community and First Nations involvement in park management through a different management structure, such as an Authority.

ENVIRONMENTAL ASSESSMENT OFFICE

Overall Reductions:

Operating Budget	37%
FTEs	37%

The major initiatives of the office in the next three years will be:

- reform of the environmental assessment process and legislation
- promote seamless project approval process through streamlined decision-making
- implement regulatory reforms to remove projects from the environmental assessment process when they can be reviewed adequately under other review mechanisms.

PREMIER'S OFFICE

The Premier's office service plan listed Government Priorities that related to their office that included:

- restoration of an independent BC Utilities Commission
- establishment of regional transportation authorities
- promotion of clean and renewable alternative energy resources
- stopping the expansion of gambling
- aggressively supporting and championing British Columbia's bid to hold the 2010 Winter Olympics
- advocate for provincial control over the management of revenues of BC's offshore fisheries to improve fisheries management and protect fishery jobs

Work with the federal government to:

- restore all of the health care funding withdrawn through budget cuts
- work with the Federal Government increase program funding to solve aboriginal urban challenges and build capacity in aboriginal communities
- ensure BC receives its fair share of federal tax dollars through a more equitable distribution of federal government transfer payments and contracts
- work with other provinces to negotiate a more equitable federal equalization program that is consistent with the Constitution
- push to eliminate interprovincial trade barriers
- give all citizens and businesses better on-line access to core services
- work with communications companies, Internet Service Providers and local communities to rapidly bring high-speed Internet access to all communities in B.C.

UBCM Executive Consideration

A full report on the announcements will be presented to the UBCM Executive meeting next week. In addition, the Minister of Community, Aboriginal and Women's Services, Honourable George Abbott will be meeting with the Executive.

MORE INFORMATION

This release does not cover the following Ministries:

- Advanced Education
- Children and Family Development
- Education
- Finance
- Provincial Revenue
- Skills Development and Labour

For further information on these and other Ministry Service Plans listed above please go to the government web site: www.gov.bc.ca/prem/popt/corereview

UPDATED: Monday January 21, 2002

On January 16, 2002, Cabinet made decisions with respect to a number of matters at Open Cabinet Meeting in Fort St. John.

Land Commission – decisions are referred to elsewhere in this In The House report on Ministry service plans.

Gaming

Cabinet considered their 'no expansion to gambling' policy and adopted the following position:

In order to reduce the exposure to litigation, allow those casinos that have taken significant steps and made investments based on direction from government and/or the the BC Lottery Corporation to relocate and/or expand capacity. It is estimated that four casinos currently without slot machines fall into this category. The remaining casinos without slot machines would not be eligible. No new licenses would be issued.

Environmental Tobacco Smoke

A new workplace tobacco smoke regulation will come into effect May 1, under the following circumstances:

- employees must give their consent to work in a smoking room and are protected from discrimination if they do not give consent
- employee workstations cannot be located in a smoking room
- workers can enter the smoking room intermittently to perform their duties but cannot work more than 20 percent of a shift in a smoking room
- hospitality and gaming establishments that choose to allow smoking on their premises must have separate rooms for smoking and non-smoking customers
- smoking rooms must be structurally separate and can be not more than 45% of total floor space in hospitality settings and 65% in bingo halls
- air from smoking rooms must either be ventilated directly to the outside or cleaned through a system that meets a minimum standard of 95% operating efficiency at a 0.3 micrometre particle size
- regulation will not override local bylaws that prohibit workplace smoking (some 25 municipalities)

Elimination of Business Subsidies – Cabinet agreed to a first phase of elimination of 22 business subsidiary programs.

The next phase of the review of economic development will include support to local and regional development groups.