# 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

<table>
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<tr>
<th>Overall Reductions:</th>
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<tr>
<td>Operating Budget</td>
<td>44.8%</td>
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<tr>
<td>FTEs</td>
<td>17.2%</td>
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**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

<table>
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<tr>
<th>Overall Reductions:</th>
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<tr>
<td>Operating Budget</td>
<td>14.7%</td>
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<tr>
<td>FTEs</td>
<td>12.6%</td>
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**Programs Eliminated:**
- TAC funding eliminated effective April 1, 2002
- 51 of 125 positions cut, TNO completely re-organized and consultation units eliminated

**Major Initiatives:**
- 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 aid 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**
- Review of public insurance programs
- Review of regional development strategy

**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 interest 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, cooperatives and volunteers in the coming year;
- audiobook program in the next year;
- grant to BC Festival of the Arts this year;
- possibility of reduction in number of government agents offices (may be addressed by alternative service delivers).

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
- improvement 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 on to the backs of local property tax payers".

COMPETITION, SCIENCE AND ENTERPRISE

Overall Reduction:
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 in three years.

ENERGY AND MINES

Overall Reduction:
Operating Budget 40%
FTEs 38%

The following programs will be eliminated over three years:
- maintenance of recreation and trail sites will be transferred to other agencies and organization sc lossen by March 31, 2005
- closure of 2 seed orchards and offer the remain in 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
- licences 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 compensafuly 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 a 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**

- 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 tele-health 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 (e.g., 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
- Senior to pay greater proportion 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 framework that uses performance-based standards
- reduce the number of regulatory requirements and 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 government
- transfer 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:**
- creation of 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 subdivision approvals process to replace the current practice 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 dependent 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

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 stream protection 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.

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 support in 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 in 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 online 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.

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.
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 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 that 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 that 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.